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San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

AGENDA
SPECIAL MEETING

June 6, 2001
1:30 P.M.
City Hall, Room 416
1 Dr. Carlton B. Goodlett Place

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COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Frank L. Cook
Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Lawrence T. Klein
ACTING GENERAL MANAGER

Jill R. Thompson
SECRETARY



Disability Access

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The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Jill R. Thompson at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

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Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Clerk, City Hall, Room 409, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-7724; Fax No.: (415) 554-7854; E-mail: Donna_Hall@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

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ORDER OF BUSINESS:

1. Call to Order

2. Roll Call

3. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

CLOSED SESSION

4. Public comments on matters to be discussed in Closed Session.

5. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

6. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(3)(A):
(Furman)

Anticipated Litigation: As Defendant
Regarding Hetch Hetchy Water and Power Contract Disputes.

7. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager, Public Utilities

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

8. Announcement following Closed Session.
9. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

MINUTES

June 6, 2001
1:30 P.M.
City Hall, Room 416
1 Dr. Carlton B. Goodlett Place

DOCUMENTS DEPT.

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Frank L. Cook
Ashok Kumar Bhatt

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Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

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Environmental Regulation and Management
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Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Lawrence T. Klein
ACTING GENERAL MANAGER

Jill R. Thompson
SECRETARY



ORDER OF BUSINESS:

1. Call to Order: 1:45 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook

Excused - Commissioner Ashok Bhatt
3. Public Comments on matters not on today's agenda.

There were no public comments.

CLOSED SESSION

4. Public comments on matters to be discussed in Closed Session.

There was none.
5. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook to assert the attorney-client privilege; passed (4-0) unanimously.

The PUC went into closed session at 1:47 p.m. to discuss the following items:

6. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(3)(A): (Furman)

Anticipated	As Defendant
Litigation:	Regarding Hetch Hetchy Water and Power Contract Disputes.

Present were President Makras, Vice President Caen, Commissioner Normandy, Commissioner Cook, Acting PUC General Manager Lawrence T. Klein, Utilities General Counsel Vicki Clayton, Commission Secretary Jill Thompson, Assistant General Manager of Power Policy, Planning and Resource Development Ed Smeloff, and Acting General Manager of Hetch Hetchy Water & Power Laurie Park.

Mr. Smeloff left at 2:45 p.m.

No action was taken. The matter was continued to a closed session prior to the 1:30 p.m. meeting of June 12, 2001.

7. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager, Public Utilities

Present were President Makras, Vice President Caen, Commissioner Normandy, Commissioner Cook, and Utilities General Counsel Vicki Clayton.

Following the Closed Session, the Commission reconvened in open session at 3:07 p.m.

8. Announcement following Closed Session.

President Makras announced that no action was taken during Closed Session.

9. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Caen, not to disclose the discussions during Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 3:08 P.M.

Jill R. Thompson
Secretary



WATER
HETCH HETCHY
WATER & POWER
CLEAN WATER

SAN FRANCISCO PUBLIC UTILITIES COMMISSION



May 16, 2001

NOTICE OF MEETING

Right of Way Encroachment Policy and Vegetation Management Policy

DOCUMENTS DEPT.

Wednesday, June 6, 2001

7:00 PM - 8:30 PM

North Fair Oaks Community Center

2600 Middlefield Road, Redwood City, CA

MAY 18 2001

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The San Francisco Public Utilities Commission in cooperation with the North Fair Oaks Community Task Force will discuss implementation of The Right of Way Encroachment Policy and the Vegetation Management Policy planned for your neighborhood.

A G E N D A

- **WELCOME / INTRODUCTIONS**.....Ella Stoneham Brown,
Public Relations Officer, Communications Section

Cheryl Davis, SFPUC Water Supply and Treatment Division Manager
Joe Naras, SFPUC Land and Resources Manager
Bill Clebsch, Member, North Fair Oaks Community Task Force, Cut Lots
Art McClish, Member, North Fair Oaks Community Task Force, Corridor
- **PROGRAM OVERVIEW / PRESENTATION**..... Cheryl Davis, Joe Naras
- **COMMENTS**.....Bill Clebsch, Art McClish
- **PUBLIC INQUIRIES**
- **ADJOURNMENT**

Information: Ella Stoneham Brown at (415) 554-3274; Ben Chan at (415) 554-3284; FAX (415) 554-3284; or write San Francisco Public Utilities Commission, Communications Section, 1155 Market St., 8th Floor, San Francisco, CA 94103



SAN FRANCISCO PUBLIC UTILITIES COMMISSION

1155 Market St., 4th Floor, San Francisco, CA 94103 • Tel. (415) 554-3155 • Fax (415) 554-3161



Willie L. Brown, Jr.
Mayor

Victor G. Makras
President
Ann Moller Caen
Vice President
E. Dennis Normandy
Frank L. Cook
Ashok Kumar Bhatt

Lawrence T. Klein
Acting General Manager

NOTICE OF SPECIAL MEETING

Notice is hereby given that the Public Utilities Commission of the City and County of San Francisco will hold a special staff briefing on the PUC's Long Range Plans: Long Term Strategic Plan, the Capital Improvement Program, and the Long Range Financial Plan on Tuesday, June 12, 2001 at 10:30 a.m. in City Hall, Room 400, 1 Dr. Carlton B. Goodlett Place, in San Francisco, California.

Jill R. Thompson
Secretary

City and County of San Francisco
Public Utilities Commission
1155 Market Street, 4th Floor
San Francisco, CA 94103



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

WORKSHOP NOTES

6 pm and 12

June 12, 2001
10:30 A.M.

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

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COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
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JUN 21 2001

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Steven D. Leonard
ACTING GENERAL MANAGER

Jill R. Thompson
SECRETARY



WORKSHOP NOTES

PUC's LONG RANGE PLANS

Call to order: 10:55 a.m.

Roll Call: Present: Victor G. Makras, President
 Ann Moller Caen, Vice President
 Ashok K. Bhatt, Commissioner

Commissioner Normandy arrived at 11:15 a.m. and Commissioner Cook at 11:33 a.m.

Michael Carlin, Manager of the Bureau of Systems and Strategic Planning, gave an overview power point presentation. He also handed out Draft Planned Priorities for the Capital Improveemnt Program, and a simplified list with the project description.

President Makras asked what guarantees of performance there were for on time and on schedule for the R & R program.

Mr. Carlin explained that the R & R contracting needed to be improved and to be performance based.

Vice President Caen asked whether the Commission would have to increase rates for R & R and how this would work under Proposition H's rate freeze.

Mr. Carlin explained that it would have to go on the ballot specifically as an R & R issue. This would be in March 2002

President Makras asked how, other than doing an audit, could the Commission be assured that projects would not unravel and go off budget. John Kluesener of San Francisco Water Alliance explained that each project identified would be given a set time frame and the Project Managers would be held accountable. President Makras asked what would be done if there was no accountability. He wanted to be assured of a mechanism, such as liquidated damages or possible new legislation to put a hammer to contractors to get the work done.

Larry Klein, Assistant General Manager for Operations, stated that for accountability on the PUC's side, the Commission had to hold the General Manager accountable and could do so through positive or negative performance evaluations. The General Manager in turn could hold his managers (down to a certain level) accountable in the same manner.

Vice President Caen asked what the increase in rates would be on sewer and water rates and on the debt service for R & R. Bill Berry replied that the overall increase was 80% over a 10-year period. Staff were still working on the numbers but that this was in the ballpark and he would have exact figure at the next meeting. If voters didn't approve the issue then the PUC would have to wait until after the expiration of Proposition H.

Art Jensen, General Manager of Bay Area Water Users Association, stated that from his perspective the list looked quite good and he was pleased.

President Makras stated that when Mr. Berry returned with the numbers, he wanted him to show the dollar amount as it related to changes in a person's sewer/water bill. For example, 1% = \$6,000 or ? This same factoring should also be done for BAWUA.

Vice President Caen was confused on the Project Installed Cost of +/- 30% and the Risk Based Contingency of 10% and the Reserve of 6%. John Kluesener of SFWA and Bill Berry explained but President Makras said that the three points should be combined to avoid confusion.

President Makras stated that the program is \$4.4 billion + 16%. Mr. Kluesener confirmed that. Mr. Berry added that the amount included an inflation factor, but that inflation was an assumption.

It was determined that another workshop was needed. Commissioner Normandy asked that the following be included as the program needed clarity. If the Commission could not see a snapshot it was impossible to go to the public to sell it:

- Schedule
- Big picture
- What is in the bond measure March 2002
- Elements of the Long Term Strategic Plan (define elements).
- Critical path.

President Makras added rate impact and the importance of articulating this to sell not only to the ratepayers but to the BAWUA members.

President Makras asked the General Manager to send a letter to the Infrastructure Task Force informing them that the morning of June 26 would be the final workshop on the CIP. He asked if there were any members present and there were none.

He stated he wanted the record to show that no members of the Task Force had participated in the process to date.

The schedule was discussed as follows:

June 26, 10:00 a.m.	Final Workshop
July 10, Regular Meeting	Summary and Proposal (including Financial Critical Path)
July 24	Regular Meeting Vote

Public Comment:

Art Jensen of the Bay Area Water Users Association introduced Sandy Eakins, Mayor of Palo Alto, Margaret Bruce, Silicon Valley Manufacturing Group, and William Nack of the San Mateo Building & Construction Trades Council. All spoke in favor of the Capital Improvement Plan, of the importance of moving along as quickly as possible and of the devastation both structurally and economically that would strike their communities and businesses if water outages of any length occurred.

Commissioner Normandy thanked Mr. Jensen and the speakers and asked them to memorialize their comments in a letter to the Commission.

The meeting adjourned at 12:34 p.m.

Jill R. Thompson
Secretary



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

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AGENDA

JUN 11 2001

REGULAR MEETING

SAN FRANCISCO
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June 12, 2001
1:30 P.M.

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City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

JUN 12 2001

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ORDER OF BUSINESS:

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

CLOSED SESSION

3. Public comments on matters to be discussed in Closed Session.
4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

5. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: Administrative Secretary, Public Utilities Commission

6. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(3)(A): (Furman)

Anticipated Litigation: As Defendant
Regarding Hetch Hetchy Water and Power Contract Disputes.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

7. Announcement following Closed Session.
8. Motion regarding whether to disclose the discussions during Closed Session.
9. Approval of Minutes
10. Communications
11. Old/Ongoing Business by Commissioners
12. Introduction of New Business by Commissioners
13. Report of the General Manager
 - a. Operational Coordination with East Bay Regional Park District. (Naras)
 - b. San Francisco Water Alliance Monthly Report. (Kluesener)
 - c. Clean Water Program Awards.
 - d. Sewer Program Needs. (Keaney)
14. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

REGULAR BUSINESS

15. Public Hearing – To present the “2001 Water Quality and Public Health Goal Report” to accept and respond to public comments on the report. (DeGraca)

Staff Recommendation: Direct Water Quality Bureau Manager to send a letter to the California Department of Health Services documenting that a Public Health Goal Report was prepared and a public hearing was held to accept and respond to public comments on the report.

16. Discussion and possible action related to Customer Service Bureau’s Customer Contact Center. (Vizcarra)

Staff Recommendation: Authorize the General Manager of Public Utilities to request the Controller to transfer \$160,000 within the bureau’s accounts to purchase telephone system services and equipment for the Customer Contact Center.

17. Discussion and possible action related to the Official Statement for the issuance of the \$140 million in Water Revenue Bonds, 2001 Series A. (Berry)

Staff Recommendation: Approve the Official Statement for not to exceed \$140,000,000 aggregate principal amount of Public Utilities Commission of the City and County of San Francisco water revenue bonds; delegate to the General Manager of the Commission authorization to complete, execute and distribute said document; and authorize the taking of necessary action.

18. Discussion and possible action related to transfer of funds from Clean Water Enterprise to fund unbudgeted debt service on the State Revolving Fund loan. (Berry)

Staff Recommendation: Authorize the General Manager of Public Utilities to request the Controller to transfer \$1,830,000 from Clean Water Enterprise operating budget to fund additional debt service cost on the State Revolving Fund loans for the current fiscal year.

19. Discussion and possible action related to Hetch Hetchy Water & Power Contract CUH831, CUH651, and CUH851. (Park)

Staff Recommendation: Approve reallocation of \$290,409 from completed projects CUH831 - Moccasin Penstock Saddle Repair, and CUH651 Kirkwood Powerhouse Additions to CUH851 - Turbine Generator Renovation and Replacement.

LEASES AND PERMITS

20. Discussion and possible action related to lease of office space at 1212 Market Street. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to approve a one-year extension for the current lease of office space used by the Bureau of Strategic & Systems Planning at 1212 Market Street.

21. Discussion and possible action related to the sale of SFPUC property to State of California Department of Transportation. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to request the Director of Property to prepare and submit a legislation to the Board of Supervisors to accommodate the sale of 68 square meters in Fee, as well as 2,629 square meters for a Temporary Construction Easement of SFPUC land located along the east side of Route 280 between Route 92 and Edgewood Road, San Mateo County to the State of California Department of Transportation to repair a slip out; and execute a Right of Entry Agreement with the State of California.

CONSTRUCTION CONTRACTS

Advertise

22. Discussion and possible action related to SFPUC Contract No. WD-2369. (Continued from the meeting of May 22, 2001.) (Quan)

Staff Recommendation: Approve the plans and specifications; and authorize the Utilities Engineering Bureau Manager to advertise for bids for SFPUC Contract No. WD-2369, Baylands Recovery Project at the former Peninsula Sportsmen's Club-Phase 1.

23. Discussion and possible action related to San Francisco Water Department Contract No. WD-2352. (Quan)

Staff Recommendation: Approve the plans and specifications for San Francisco Water Department Contract No. WD-2352, 4", 6", and 8" Ductile Iron Pipe Main Installation in Stevenson Street from 5th Street to 7th Street, in Jessie Street from 1st Street to 3rd Street, and in Anthony Street from Mission Street to Jessie Street; and authorize the Utilities Engineering Bureau Manager to advertise for bids.

24. Discussion and possible action related to Clean Water Enterprise Contract No. CW-247. (Quan)

Staff Recommendation: Approve the plans and specifications for Contract No. CW-247, Fifth Street Sewer Rehabilitation; and authorize the Utilities Engineering Bureau Manager to advertise for bids.

Amend

25. Discussion and possible action related to San Francisco Water Department Contract No. WD-2184. (Quan)

Staff Recommendation: Approve the terms and conditions and authorize execution, delivery, and performance of the Encroachment Agreement to install 7300 linear feet of new pipeline within Brisbane's right of way; approve the terms and conditions and authorize execution, delivery and performance of the Exchange Agreement to effectuate the exchange of the Tunnel Avenue Pipeline for the Community Park Easement; authorize the General Manager of Public Utilities to execute the Encroachment and Exchange Agreement; and authorize the Manager of Utilities Engineering Bureau to proceed with work defined in the scope of work for Modification No. 3 to San Francisco Water Department Contract No. WD-2184, Crystal Springs Pipeline No. 1 Replacement, increasing the contract amount by \$788,334 and extending the time by 239 calendar days.

26. Discussion and possible action related to Clean Water Enterprise Contract No. CW-245. (Quan)

Staff Recommendation: Approve Modification No. 1 to Contract No. CW-245, Geary Street and Second Street Sewer Replacement, increasing the contract by \$15,000 with a time extension of 7 calendar days.

PROFESSIONAL SERVICE CONTRACTS

Advertise

27. Discussion and possible action related to Emergency Management Plan Review. (Continued from the meeting of March 27, 2001.) (Klein)

Staff Recommendation: Authorize the SFPUC Assistant General Manager for Operations to advertise and request for proposals for Agreement No. CS-664 to provide professional services in the review, update, and publication of the SFPUC Emergency Operations Plan.

Award

28. Discussion and possible action related to Crystal Springs Pipeline No. 3, Corrosion Maintenance Services. (Davis)

Staff Recommendation: Award Agreement No. CS-653, Crystal Springs Pipeline No. 3 Water Engineering Corrosion Services, to M.J. Schiff and Associates, Inc. to provide and assist in the analysis and recommendations for corrosion maintenance services for an amount not to exceed \$55,000 for a term of nine months.

Close

29. Discussion and possible action related to the Information Collection Rule Project. (DeGraca)

Staff Recommendation: Accept work performed for Water Quality Bureau Agreement No. CS-457, Information Collection Rule Project, by the CH2M Hill Inc./Olivia Chen Consultants, Inc. Joint Venture; and authorize final payment of \$30,018.40 and release of retention in the amount of \$45,641.05.

CLOSED SESSION

30. Public comments on matters to be discussed in Closed Session.
31. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

32. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Homer J. Olsen, Inc. Claim No. 00W0104-1/01-03078

33. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Knickerbocker Properties XXXIII, Claim No. 01-02906.

34. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Sullivan)

Existing Litigation: CCSF vs. Chevron Pipeline Company
Property: Alameda County Lands

35. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff
Contamination at the Peninsula Sportsmen's Club property.

36. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager, Public Utilities

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

37. Announcement following Closed Session.

38. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

NOTICE OF HEARING

Notice is hereby given that the Public Utilities Commission will hold a public hearing on June 26, 2001 at 1:30 P.M., in City Hall, Room 400, to consider amending the Rules of Order of the Public Utilities Commission as follows: Rule 8 - Temporary Meeting Place; Rule 9 – Special Meetings of the Commission; Rule 11 – Open and Public Meetings; Rule 18 – Privilege of Floor and Public Participation; Rule 20 – Minutes of Proceedings; and Rule 22 – Tapes of Closed Sessions.



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

MINUTES

June 12, 2001
1:30 P.M.

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

DOCUMENTS DEPT.

COMMISSIONERS

AUG - 9 2001

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Frank L. Cook
Ashok Kumar Bhatt

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DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Steven D. Leonard
ACTING GENERAL MANAGER

Jill R. Thompson
SECRETARY



ORDER OF BUSINESS:

1. Call to Order: 1:40 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook, Commissioner Ashok Bhatt

CLOSED SESSION

3. Public comments on matters to be discussed in Closed Session.

There were none.

4. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Caen to assert the attorney-client privilege; passed (5-0) unanimously.

President Makras announced that the Commission would discuss item 6 first.

The Public Utilities Commission went into closed session at 1:41 P.M. to discuss the following items:

5. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: Administrative Secretary, Public Utilities Commission

Present were President Makras, Vice President Caen, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, and Commission Secretary Jill Thompson.

Moved by Commissioner Caen, seconded by Commissioner Cook to adopt the following resolution; passed (5-0) unanimously.

Resolution No. 01-0122: Appoint Mary Jung as Administrative Secretary, Public Utilities Commission, effective July 1, 2001.

6. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(3)(A):

Anticipated Litigation: As Defendant
Regarding Hetch Hetchy Water and Power Contract Disputes.

Present were President Makras, Vice President Caen, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Jill Thompson, Assistant General Manager for Operations Lawrence T. Klein, Assistant General Manager for Power Policy Ed Smeloff, City Attorney Louise Renne, and Deputy City Attorney Donn Furman.

Following the Closed Session, the Public Utilities Commission reconvened in public session at 2:54 P.M.

7. Announcement following Closed Session.

President Makras announced the actions taken during Closed Session.

8. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook not to disclose the discussion during Closed Session; passed (5-0) unanimously.

9. Approval of Minutes

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt the following sets of minutes; passed (5-0) unanimously:

- a) March 27, 2001 Regular Meeting
- b) March 30, 2001 Special Meeting
- c) April 10, 2001 Regular Meeting
- d) May 1, 2001 Special Meeting
- e) May 8, 2001 Special Meeting
- f) May 15, 2001 Special Meeting

10. Communications

No action was taken.

11. Old/Ongoing Business by Commissioners

Commissioner Caen thanked Lawrence Klein for stepping in as Acting General Manager since April 13, 2001.

Commissioner Caen suggested commencing the development of a Drought Management Plan. She requested that staff give a monthly update on Lake Merced instead of quarterly.

12. Introduction of New Business by Commissioners

President Makras directed staff to include water purchase contracts in the discussion of the Drought Management Plan.

Commissioner Normandy called for a moment of silence in memory of two PUC employees, Jack Negro and Dee Curry-Negro, who lost their lives due to a motorcycle accident.

Commissioner Caen referred to the notice of hearing to consider changes in the Rules of Order and asked what the proposed changes were. Jill Thompson, Commission Secretary, responded that they were minor changes only.

Commissioner Caen referred to a letter received from the Russian Improvement Association concerning the upkeep of the reservoir on Lombard. She suggested that staff review the Association's proposal.

President Makras directed staff to identify the section of land that was part of the Bernal property sale, start the appraisal process, and declare the property surplus to the SFPUC.

President Makras directed staff to look into the health and retirement benefit issues of SFPUC employees outside San Francisco, look into any disparity issues and recommend solutions to provide equal benefits to all employees. He asked that staff also present the financial impacts of their recommendation.

13. Report of the General Manager

President Makras directed staff to present the agenda item concerning Owner Controlled Insurance Program and include Contractor Controlled Insurance Program in their presentation. He directed staff to write a letter to the City's Risk Manager, Errol Fitzpatrick, to thank him for expediting the development process.

- a. Operational Coordination with East Bay Regional Park District.

Item 13a. was continued to the next regular Commission meeting.

- b. San Francisco Water Alliance Monthly Report.

John Kluesener of the San Francisco Water Alliance (SFWA) reported about the SFWA's major accomplishments during the month of May 2001.

Mr. Kluesener noted that the SFWA have completed 10 out of the 32 task orders awarded to them and they are currently working on seven task orders. SFWA has made progress in moving contracts through the closeout process. A total of 43 contracts have been closed within the six-month period. SFWA also has completed staff assessments and submitted a Skills and Goals Inventory Report.

Mr. Kluesener stated that procedures have been prepared for planning and project controls and are currently being reviewed.

With respect to MBE goals, Mr. Kluesener noted that SFWA met the total 40% M/WBE participation goals as of May 2001.

c. Clean Water Program Awards.

William Keaney, Water Pollution Control Division Manager, reported that the Water Pollution Control Division won two national awards from the Association of Metropolitan Sewer Agencies – the *AMSA Platinum Award* for 100% record of compliance with the National Pollutant Discharge Elimination System (NPDES) permit, and the *2000 Peak Performance Silver Award* for receiving no more than five NPDES permit violations over the past calendar year.

d. Sewer Program Needs.

Mr. Keaney provided an overview of issues related to the wastewater collection system in San Francisco. He said one of the major concerns was the aging system which results in increased sewer failures. The backlog of sewer repair and replacement work had increased in the last four years. Because the existing pipes are too small, they are hydraulically inadequate for storm flow and portions of the system may cause street flooding during heavy rain. Mr. Keaney talked about the action the Water Pollution Control Division had taken to address these problems and their plans to improve the operation and maintenance of the collection system.

Commissioner Bhatt was excused from 3:29 P.M. to 3:32 P.M.

Steven D. Leonard, Acting General Manager of Public Utilities, reported that Saturday, June 16, 2001, would be the last toilet sale. He noted that Mayor Brown declared June 9, 2001 as *"Toilet for \$10 Sale Appreciation Day"*.

14. Public Comments

Dan Miller of P&J Utility stated that the Human Rights Commission had denied the award of SFPUC Contract WD-2319 to his company, P&J Utility. He urged the Commission to award the contract to P&J Utility. President Makras instructed staff to investigate this matter.

Art Jensen of the Bay Area Water Users Association reported that all 29 suburban agencies ratified the Interim Water Shortage Allocation Plan.

Emeric Kalman suggested including safety training classes in the training program being developed by SFWA.

REGULAR BUSINESS

15. Public Hearing – To present the “2001 Water Quality and Public Health Goal Report” to accept and respond to public comments on the report.

Andrew DeGraca, Water Quality Bureau Manager, gave a presentation using overhead slides.

President Makras suggested changing the sixth “Whereas” clause to reflect the change in cost of new disinfection and corrosion control facilities from \$43 million to \$49 million. Mr. DeGraca stated that the cost of the chloramines project had gone up from \$40 million to \$46 million, but the corrosion cost remained the same at \$3 million; therefore, the total cost for improvements went from \$43 to \$49 million.

President Makras invited comments from the public. No one gave comments.

Moved by Commissioner Caen, seconded by Commissioner Cook to adopt the following resolution as amended; passed (5-0) unanimously.

Resolution No.01-0123: Direct Water Quality Bureau Manager to send a letter to the California Department of Health Services documenting that a Public Health Goal Report was prepared and a public hearing was held to accept and respond to public comments on the report.

16. Discussion and possible action related to Customer Service Bureau’s Customer Contact Center.

President Makras expressed support for a Customer Contact Center, but he did not approve taking money out of the Toilet Sale Program, as these funds should be spent for water conservation programs.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (4-1). President Makras voted no.

Resolution No. 01-0124: Authorize the General Manager of Public Utilities to request the Controller to transfer \$160,000 within the bureau's accounts to purchase telephone system services and equipment for the Customer Contact Center.

17. Discussion and possible action related to the Official Statement for the issuance of the \$140 million in Water Revenue Bonds, 2001 Series A.

The agenda item submitted by staff requested approval of the form of the Official Statement for the issuance of up to \$140 million in Water Revenue Bonds.

President Makras commented that he supported the item in principle but he wanted assurance from staff of the accuracy of the statement. He directed staff to bring back the item with assurance of its accuracy and that SFPUC complies with its provisions. Commissioner Normandy suggested continuing the item until staff provides a statement validating accuracy of the Official Statement.

President Makras directed staff to present for discussion purposes a comparison of costs and savings for selling bonds versus commercial paper.

Moved by Commissioner Normandy, seconded by Commissioner Cook to continue Item 17 to the next regular meeting scheduled on June 26, 2001; passed (5-0) unanimously.

Staff Recommendation: Approve the Official Statement for not to exceed \$140,000,000 aggregate principal amount of Public Utilities Commission of the City and County of San Francisco water revenue bonds; delegate to the General Manager of the Commission authorization to complete, execute and distribute said document; and authorize the taking of necessary action.

18. Discussion and possible action related to transfer of funds from Clean Water Enterprise to fund unbudgeted debt service on the State Revolving Fund Loan.

President Makras expressed concerns about the transfer of funds from surpluses in Salaries and Administrative Services, specifically the \$1.6 million surplus from SFPUC's Administrative Services. He asked if there was surplus from salaries and asked why they were being used for other purposes. Mr. Berry stated that the surplus funds from Administrative Services came from unfilled vacancies and will not be spent this fiscal year. President Makras said he supported the item but he believed that the numbers should be backfilled. Mr. Berry stated that he would

return to the Commission with detail concerning available funds in Administrative Services. President Makras suggested providing a line item in the budget for the \$1.83 million debt service cost.

Moved by Commissioner Cook, seconded by Commissioner Caen to continue Item 18 to the next regular meeting scheduled on June 26, 2001; passed (5-0) unanimously.

Staff Recommendation: Authorize the General Manager of Public Utilities to request the Controller to transfer \$1,830,000 from Clean Water Enterprise operating budget to fund additional debt service cost on the State Revolving Fund Loans for the current fiscal year.

Note: Commissioner Caen was excused at 4:19 P.M.

19. Discussion and possible action related to Hetch Hetchy Water & Power Contract CUH831, CUH651, and CUH851.

Moved by Commissioner Bhatt, seconded by Commissioner Normandy to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0125: Approve reallocation of \$290,409 from completed projects CUH831 - Moccasin Penstock Saddle Repair, and CUH651 Kirkwood Powerhouse Additions to CUH851 - Turbine Generator Renovation and Replacement.

LEASES AND PERMITS

20. Discussion and possible action related to lease of office space at 1212 Market Street.

Commissioner Normandy moved, seconded by Commissioner Cook to adopt Item 20.

President Makras recommended that staff explore other lease options and report to the Commission at the next regular Commission meeting.

The mover and seconder withdrew their motion.

Gary Dowd, Manager of the Bureau of Commercial Land Management, requested approval of the lease today since the lease is expiring at the end of November 2001. He said approving it today would give staff more flexibility to explore other options.

Commissioner Normandy moved to adopt the resolution contingent upon staff pursuing other lease options and upon approval of the President. Commissioner Cook seconded. Motion passed (4-0) unanimously.

Resolution No. 01-0126: Authorize the General Manager of Public Utilities to approve a one-year extension for the current lease of office space used by the Bureau of Strategic & Systems Planning at 1212 Market Street.

21. Discussion and possible action related to the sale of SFPUC property to State of California Department of Transportation.

Moved by Commissioner Bhatt, seconded by Commissioner Cook to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0127: Authorize the General Manager of Public Utilities to request the Director of Property to prepare and submit legislation to the Board of Supervisors to accommodate the sale of 68 square meters in fee, as well as 2,629 square meters for a Temporary Construction Easement of SFPUC land located along the east side of Route 280 between Route 92 and Edgewood Road, San Mateo County to the State of California Department of Transportation to repair a slip out; and execute a Right of Entry Agreement with the State of California.

CONSTRUCTION CONTRACTS

Advertise

22. Discussion and possible action related to SFPUC Contract No. WD-2369. (Continued from the meeting of May 22, 2001.)

Staff Recommendation: Approve the plans and specifications; and authorize the Utilities Engineering Bureau Manager to advertise for bids for SFPUC Contract No. WD-2369, Baylands Recovery Project at the former Peninsula Sportsmen's Club-Phase 1.

Item 22 was continued to the call of the Chair.

Moved by Commissioner Cook, seconded by Commissioner Normandy to adopt Item Nos. 23 and 24 collectively; passed (4-0) unanimously.

23. Resolution No. 01-0128: Approve the plans and specifications for San Francisco Water Department Contract No. WD-2352, 4", 6", and 8" Ductile Iron Pipe Main Installation in Stevenson Street from 5th Street to 7th Street, in Jessie Street from 1st Street to 3rd Street, and in Anthony Street from Mission Street to Jessie Street; and authorize the Utilities Engineering Bureau Manager to advertise for bids.
24. Resolution No. 01-0129: Approve the plans and specifications for Contract No. CW-247, Fifth Street Sewer Rehabilitation; and authorize the Utilities Engineering Bureau Manager to advertise for bids.

Commissioner Caen returned at 4:23 P.M.

Commissioner Normandy was excused at 4:24 P.M.

Amend

25. Discussion and possible action related to San Francisco Water Department Contract No. WD-2184.

Moved by Commissioner Makras, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

- Resolution No. 01-0130: Approve the terms and conditions and authorize execution, delivery, and performance of the Encroachment Agreement to install 7300 linear feet of new pipeline within Brisbane's right of way; approve the terms and conditions and authorize execution, delivery and performance of the Exchange Agreement to effectuate the exchange of the Tunnel Avenue Pipeline for the Community Park Easement; authorize the General Manager of Public Utilities to execute the Encroachment and Exchange Agreement; and authorize the Manager of Utilities Engineering Bureau to proceed with work defined in the scope of work for Modification No. 3 to San Francisco Water Department Contract No. WD-2184, Crystal Springs Pipeline No. 1 Replacement, increasing the contract amount by \$788,334 and extending the time by 239 calendar days.

26. Discussion and possible action related to Clean Water Enterprise Contract No. CW-245.

Moved by Commissioner Caen, seconded by Commissioner Cook to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0131: Approve Modification No. 1 to Contract No. CW-245, Geary Street and Second Street Sewer Replacement, increasing the contract by \$15,000 with a time extension of 7 calendar days.

Commissioner Normandy returned at 4:25 P.M.

PROFESSIONAL SERVICE CONTRACTS

Advertise

27. Discussion and possible action related to Emergency Management Plan Review. (Continued from the meeting of March 27, 2001.)

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (5-0) unanimously.

Resolution No. 01-0132: Authorize the SFPUC Assistant General Manager for Operations to advertise and request for proposals for Agreement No. CS-664 to provide professional services in the review, update, and publication of the SFPUC Emergency Operations Plan.

Award

28. Discussion and possible action related to Crystal Springs Pipeline No. 3, Corrosion Maintenance Services.

Commissioner Caen inquired about the need for maintenance services if the pipes were going to be replaced in the Capital Improvement Program. Cheryl Davis stated that staff's goal was for proper management of SFPUC's assets.

President Makras inquired about PG&E's role in this matter as he observed the extensive discussion about PG&E in the agenda item. Brian Rolley of the Water Supply & Treatment Division stated that PG&E operates mainly in this area and staff believed that they were the most probable source of external corrosion in this pipeline. He said the purpose of the project was to determine the exact source of the current.

President Makras asked if the City built and paid for the pipeline and we have the plans, why did we need a contractor to develop a work plan. Mr. Rolley responded that when the pipelines were built, the associated pipelines that surround the mains were not included, and they were looking to create a matrix of all crossings from other agencies.

President Makras stated that he was opposed to hiring an outside consultant to provide maintenance services for pipes, which should have been maintained under the normal operations. Ms. Davis stated that Water Supply Division's budget for this fiscal year included money for corrosion services. She stated that specialized skills in corrosion services are involved and so staff decided that it would be more expeditious to budget for professional services rather than hire an employee.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (5-0) unanimously.

Resolution No. 01-0133: Award Agreement No. CS-653, Crystal Springs Pipeline No. 3 Water Engineering Corrosion Services, to M.J. Schiff and Associates, Inc. to provide and assist in the analysis and recommendations for corrosion maintenance services for an amount not to exceed \$55,000 for a term of nine months.

Close

29. Discussion and possible action related to the Information Collection Rule Project.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (5-0) unanimously.

Resolution No. 01-0134: Accept work performed for Water Quality Bureau Agreement No. CS-457, Information Collection Rule Project, by the CH2M Hill Inc./Olivia Chen Consultants, Inc. Joint Venture; and authorize final payment of \$30,018.40 and release of retention in the amount of \$45,641.05.

CLOSED SESSION

30. Public comments on matters to be discussed in Closed Session.

There was none.

31. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (5-0) unanimously.

The Public Utilities Commission met in Closed Session at 4:40 P.M. to discuss the following matters:

Commissioner Cook was excused at 4:45 P.M.

32. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Homer J. Olsen, Inc. Claim No. 00W0104-1/01-03078

Present were President Makras, Vice President Caen, Commissioner Normandy, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, and Commission Secretary Jill R. Thompson.

Moved by Commissioner Normandy, seconded by Commissioner Caen to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0135: Recommend a settlement in the case of Homer J. Olsen, Inc. Claim No. 00W0104-1/01-03078.

33. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Knickerbocker Properties XXXIII, Claim No. 01-02906.

Present were President Makras, Vice President Caen, Commissioner Normandy, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, and Commission Secretary Jill R. Thompson.

Moved by Commissioner Normandy, seconded by Commissioner Caen to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0136: Recommend a settlement in the case of Knickerbocker Properties XXXIII, Claim No. 01-02906.

34. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: CCSF vs. Chevron Pipeline Company
Property: Alameda County Lands

Present were President Makras, Vice President Caen, Commissioner Normandy, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, Deputy City Attorney Charles Sullivan, Bureau of Land Management Manager Gary Dowd, and Land Resource Manager Joseph Naras.

No action was taken.

35. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Plaintiff
Contamination at the Peninsula Sportsmen's Club property.

Present were President Makras, Vice President Caen, Commissioner Normandy, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, Deputy City Attorney Rona Sandler, Bureau of Environmental Regulation Manager Steve Medbery, Regulatory and Environmental Affairs Manager Robert Hickman, and UEB Project Manager Lota de Castro.

No action was taken.

36. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager, Public Utilities

Present were President Makras, Vice President Caen, Commissioner Normandy, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, and Commission Secretary Jill R. Thompson.

No action was taken.

Following the Closed Session, the Commission reconvened in open session at 5:06 P.M.

37. Announcement following Closed Session.

President Makras announced the actions taken during Closed Session.

38. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Bhatt, not to disclose the discussions during Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 5:09 P.M.

Jill R. Thompson
Secretary



SAN FRANCISCO PUBLIC UTILITIES COMMISSION

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Lawrence T. Klein
Acting General Manager

NOTICE OF SPECIAL MEETING

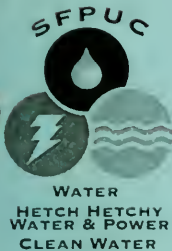
Notice is hereby given that the Public Utilities Commission of the City and County of San Francisco will hold a special staff briefing on the SFPUC's Long Range Plans: Long Term Strategic Plan, the Capital Improvement Program, and the Long Range Financial Plan on Tuesday, June 26, 2001 at 10:30 a.m. in City Hall, Room 400, 1 Dr. Carlton B. Goodlett Place, in San Francisco, California.

Jill R. Thompson
Secretary

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JUN 21 2001

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San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

AGENDA

REGULAR MEETING

June 26, 2001
1:30 P.M.

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Frank L. Cook
Ashok Kumar Bhatt

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Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Steven D. Leonard
ACTING GENERAL MANAGER

Jill R. Thompson
SECRETARY



Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Jill R. Thompson at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Clerk, City Hall, Room 409, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-7724; Fax No.: (415) 554-7854; E-mail: Donna_Hall@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Energy Update. 7 mins. (Smeloff)
8. Bay Area Water Users Association (BAWUA) General Manager's Report
 - a. Milestone Update. (Jensen)
9. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

REGULAR BUSINESS

10. Discussion and possible action related to a resolution honoring Harold Guetersloh. (Leonard)

Staff Recommendation: Adopt a resolution honoring Harold Guetersloh.

11. Discussion and possible action related to a resolution honoring Jill Thompson. (Leonard)

Staff Recommendation: Adopt a resolution honoring Jill Thompson, Commission Secretary, on her retirement.

12. Public Hearing - To consider amending the Rules of Order of the San Francisco Public Utilities Commission. (Thompson)

Staff Recommendation: Amend the Rules of Order of the San Francisco Public Utilities Commission.

13. Discussion and possible action related to the Peninsula Watershed Management Plan. (Naras)

Staff Recommendation: Adopt the Peninsula Watershed Management Plan including the required findings and Mitigation Monitoring and Reporting Plan with respect to the final Environmental Impact Report.

14. Discussion concerning comparison of commercial paper and bond financing option. (Berry)

Staff Recommendation: Discussion only.

15. Discussion and possible action related to the Official Statement for the issuance of the \$140 million in Water Revenue Bonds, 2001 Series A. (Continued from the meeting of June 12, 2001.) (Berry)

Staff Recommendation: Approve the Official Statement for not to exceed \$140,000,000 aggregate principal amount of Public Utilities Commission of the City and County of San Francisco water revenue bonds; delegate to the General Manager of the Commission authorization to complete, execute and distribute said document; and authorize the taking of necessary action.

16. Discussion and possible action related to transfer of funds from Clean Water Enterprise to fund unbudgeted debt service on the State Revolving Fund loan. (Continued from the meeting of June 12, 2001.) (Berry)

Staff Recommendation: Authorize the General Manager of Public Utilities to request the Controller to transfer \$1,830,000 from Clean Water Enterprise operating budget to fund additional debt service cost on the State Revolving Fund loans for the current fiscal year.

17. Discussion and possible action related to sewer service charge to single resident occupancy hotels. (Continued from the meeting of May 22, 2001.) (Laws)

Staff Recommendation: Adopt a resolution regarding the application of the sewer service charge to single resident occupancy hotels.

18. Discussion and possible action related to the Water Supply Lines Relocation Agreement. (Mavroudis)

Staff Recommendation: Approve the terms and conditions and authorize execution, delivery, and performance of the Water Supply Lines Relocation Agreement for the replacement of Crystal Springs Pipeline No. 1 and relocation of Crystal Springs Pipeline No. 2 within the public right of way in South San Francisco; authorize and direct the General Manager of Public Utilities Commission to request the Director of Property to prepare and submit a legislation to the Mayor and the Board of Supervisors for approval of the Water Supply Lines Relocation Agreement; and authorize the General Manager of Public Utilities Commission to execute the Agreement, easement deeds and other documents contemplated by the Agreement.

LEASES AND PERMITS

19. Discussion and possible action related to SFPUC access road in Alameda watershed. (Dowd)

Staff Recommendation: Approve proposed improvements to SFPUC access road in Alameda watershed as proposed by owner of the Mitchell property located approximately 7 miles south of Sunol on Calaveras Road, and approximately 2 miles west from Calaveras Road, provided that Conditions of Approval are met.

CONSTRUCTION CONTRACTS

Advertise

20. Discussion and possible action related to Hetch Hetchy Water & Power Contract No. HH-887. (West)

Staff Recommendation: Approve the plans and specifications, and authorize the Utilities Engineering Bureau Manager to advertise for bids for Hetch Hetchy Water & Power Contract No. HH-887, Moccasin Domestic Water Improvements.

21. Discussion and possible action related to Water Enterprise Contract No. WD-2319. (West)

Staff Recommendation: Reject bids received for Contract No. WD-2319, 6 and 8-Inch Ductile Iron Main Installation in 18th Street between Sanchez Street and South Van Ness Avenue; in Lapidge Street between 18th Street and 19th Street; and in Dorland Street between Dolores Street and Guerrero Street; and authorize the Utilities Engineering Bureau Manager to readvertise the contract as Contract No. WD-2319R.

22. Discussion and possible action related to Water Enterprise Contract No. WD-2340. (West)

Staff Recommendation: Approve the plans and specifications for Contract No. WD-2340, Recoating of Bay Division Pipe Line Nos. 1 and 2 in Vicinity of the Irvington Pump Station, and authorize the Utilities Engineering Bureau Manager to advertise for bids.

23. Discussion and possible action related to Water Enterprise Contract No. WD-2343. (West)

Staff Recommendation: Approve the plans and specifications for Contract No. WD-2343, Chlorine Station Refurbishments, and authorize the Utilities Engineering Bureau Manager to advertise for bids.

Award

24. Discussion and possible action related to Hetch Hetchy Water & Power Contract No. HH-893. (West)

Staff Recommendation: Approve transfer of \$550,000 from SCADA Security & Control-East Project to South Fork Bridge & Road Repairs; award Hetch Hetchy Water & Power Contract No. HH-893, South Fork Bridge & Road Repairs, in the amount of \$2,178,368 to Mitchell Engineering.

25. Discussion and possible action related Water Enterprise Contract No. WD-2337. (West)

Staff Recommendation: Award Water Enterprise Contract No. WD-2337, Harry Tracy Water Treatment Plant Residuals Thickening, in the amount of \$7,973,270 to Proven Management, Inc.

Close

26. Discussion and possible action related to Hetch Hetchy Water & Power Contract No. HH-888. (West)

Staff Recommendation: Accept work performed for Hetch Hetchy Water & Power Contract No. HH-888, Moccasin Sewer Replacement; approve Modification No. 3 increasing the contract by \$120,484 and extending the time by 25 calendar days; release retention of \$75,488.05 from escrow; and authorize final payment of \$145,416 to Proven Management, Inc.

27. Discussion and possible action related to Water Enterprise Contract No. WD-2214. (West)

Staff Recommendation: Accept work performed for Contract No. WD-2214, 8-Inch Ductile Iron Main Installation in Broadway between Pierce and Steiner Streets, and between Fillmore Street and Van Ness Avenue; approve Modification No. 1 increasing the contract by \$18,250; assess the HRC monetary penalty of \$18,000 against P&J Utility Company, and authorize final payment of \$6,000 to the contractor.

28. Discussion and possible action related to Water Enterprise Contract No. WD-2263. (West)

Staff Recommendation: Accept work performed for Contract No. WD-2263, Pave Various San Francisco Water Department Roads in Alameda County, and authorize release of retention in the amount of \$1,375.67 to RGW Construction, Inc.

29. Discussion and possible action related to CW-0005R, Southeast Community Facility HVAC Controls Retrofit and Upgrade. (West)

Staff Recommendation: Accept work performed for Contract No. CW-0005R, Southeast Community Facility HVAC Controls Retrofit and Upgrade; approve Modification No. 1 increasing the contract by \$21,950 and extending the time by 141 calendar days; and authorize final payment of \$30,023 to C&C Building Automation Company.

30. Discussion and possible action related to Clean Water Program Contract No. CW-135. (West)

Staff Recommendation: Accept work performed for Contract No. CW-135, Channel Pump Station Influent Channel Sluice Gates Replacement; approve Modification No. 1 increasing the contract by \$33,456 and extending the time by 259 calendar days; and authorize final payment of \$43,024 to Pan Marine Construction, Inc.

31. Discussion and possible action related to Clean Water Program Contract No. CW-177. (West)

Staff Recommendation: Accept work performed for Contract No. CW-177, Sacramento/Pierce/Wilmut Streets Sewer Replacement; approve Modification No. 1 increasing the contract by \$22,657; and authorize final payment of \$63,248 to K.J. Woods Construction, Inc.

32. Discussion and possible action related to Clean Water Program Contract No. CW-225. (West)

Staff Recommendation: Accept work performed for Contract No. CW-225, Sutter Street/Golden Gate Avenue/21st Avenue Sewer Replacement; approve Modification No. 2 increasing the contract by \$1,975 with a time extension of 65 calendar days; and authorize final payment of \$69,670 to J. Flores Construction Company, Inc.

PROFESSIONAL SERVICE CONTRACTS

Advertise

33. Discussion and possible action related to Brokerage Services for an Owner-Controlled or Contractor-Controlled Insurance Program for the Capital Improvement Program. (Okereke)

Staff Recommendation: Authorize the Director of Finance to advertise and request proposals for SFPUC Agreement CS-674, Brokerage Services for an Owner-Controlled or Contractor-Controlled Insurance Program for the Capital Improvement Program.

Amend

34. Discussion and possible action related to Agreement No. CS-525A. (West)

Staff Recommendation: Authorize the Utilities Engineering Bureau Manager to execute Amendment No. 2 to Agreement No. CS-525A, Specialized Engineering Services with Olivia Chen Consultants, Manna Consultants, Inc., Kennedy/Jenks Consultants/SJ Engineers, CH2Mhill/Ocampo Esta, JV, SOHA/Telamon Engineering Consultants, Harza Engineering Co., and Tetra Tech, Inc.; increasing the agreement with Olivia Chen Consultants by \$462,372 for seismic evaluation of the Calaveras Dam and extending the term by 6 months to July 10, 2002; and increasing the total spending authority from \$4,000,000 to \$4,462,372.

35. Discussion and possible action related to Agreement No. CS-551. (West)

Staff Recommendation: Authorize the Utilities Engineering Bureau Manager to execute Amendment No. 1 to Agreement No. CS-551, Construction Management Services for Water Enterprise SCADA Project, with CH2M Hill/Ocampo Esta, Joint Venture, increasing the contract by \$600,000 and extending the term by one year to December 31, 2002.

CLOSED SESSION

36. Public comments on matters to be discussed in Closed Session.
37. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

38. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	9 acres at the end of Sneath Lane in the northern part of the Peninsula Watershed
Parties Negotiating:	City of Pacifica and Pacifica Land Trust CCSF - Milstein/Dowd/Davis
Under Negotiation:	Terms of sale.

39. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Bay Bridge Pump Station Site
Parties Negotiating:	Caltrans CCSF - Dowd/Kubick
Under Negotiation:	Terms of purchase

40. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Milstein)

Existing Litigation:	1997 Flood Actions on Tuolumne and San Joaquin Rivers, Anderson et.al. v. CCSF, San Joaquin County Superior Court No. 004214.
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41. Conference with Legal Counsel - Pursuant to Government Code Section 54956.9(a):
(Milstein/Lee)

Existing Litigation:	California Trout v. CCSF, etal, Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-127.
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42. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(3)(A):
(Furman)

Anticipated Litigation: As Defendant
Regarding Hetch Hetchy Water and Power Contract Disputes.

43. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and
San Francisco Administrative Code Section 67.10(b):

Position: General Manager, Public Utilities

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL
RECONVENE IN PUBLIC SESSION.

44. Announcement following Closed Session.

45. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

MINUTES

June 26, 2001
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Frank L. Cook
Ashok Kumar Bhatt

DOCUMENTS DEPT

AUG 23 2001

SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Steven D. Leonard
ACTING GENERAL MANAGER

Jill R. Thompson
SECRETARY



ORDER OF BUSINESS:

1. Call to Order: 1:45 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook, Commissioner Ashok Bhatt

3. Approval of Minutes

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt the Minutes of the Regular Meeting of April 13, 2001, the Minutes of the Special Meeting of June 6, 2001; and the Minutes of the Regular Meeting of June 12, 2001 as amended; passed (5-0) unanimously.

4. Communications

No action taken.

5. Old/Ongoing Business by Commissioners

Commissioner Normandy requested an update on the search for someone to serve on the Residential Users Appeals Board.

6. Introduction of New Business by Commissioners

There was no new business introduced.

7. Report of the General Manager

Steven D. Leonard, Acting SFPUC General Manager, requested removal of Item 38 from the agenda.

- a. Energy Update

Ed Smeloff, Assistant General Manager for Power Policy, gave a report concerning energy issues facing the City which included the Calpine contract, State funding for energy efficiency, Solar Power Initiative, and Charter amendments. Mr. Smeloff stated that the Board of Supervisors authorized us to proceed with the Calpine contract at a cost of \$115 per megawatt hour for six months. Staff is currently exploring options to lower the costs. Staff was also working with the City Attorney to find out ways of obtaining State funding for energy efficiency programs.

Regarding the Solar Power Initiative, Mr. Smeloff said that Mayor Willie Brown is committed to solar roof installation in San Francisco by the year 2010. A ballot measure would be put on the November ballot to authorize \$100 million in revenue bonds that would pay for installation of solar panels on roofs of City buildings and other energy generation and conservation programs. Mr. Smeloff noted that Hetch Hetchy would be issuing the bonds.

Mr. Smeloff reported that three Charter amendments were proposed in the November ballot. One measure, which was already on the ballot, would establish a Municipal Utility District in San Francisco and neighboring City of Brisbane. The second measure, proposed by Supervisor Ammiano, abolishes the existing Public Utilities Commission and creates a municipal water and power agency with seven elected directors. The third one, proposed by Supervisor Newsom and Supervisor Hall also abolishes the existing Public Utilities Commission and creates a Power and Water Authority.

The proposed charter amendments would be heard by the Board of Supervisors Rules Committee on Friday, June 29, 2001. The deadline to submit measures for the November ballot is July 23, 2001.

President Makras stated that he would like the Commission to be involved with regard to the Solar Bond Initiative. Commissioner Normandy stated that he would like the Commission's involvement with regard to the proposed Charter amendments.

Commissioner Bhatt was excused from 2:10 p.m. to 2:15 p.m.

8. Bay Area Water Users Association (BAWUA) General Manager's Report

a. Milestone Update

Arthur Jensen, BAWUA General Manager, gave an update concerning milestones for Water Supply Reliability, Water Quality, Fair Pricing, and the Capital Improvement Program and Financial Plan. He requested to put dry year water purchase contracts forward for next year and to consider moving Crystal Springs Dam Abutment Protection up on the list of repairs because of possible earthquake damage to the Peninsula as well as its impact to the City.

9. Public Comments on matters not on today's agenda.

Matthew Lonner introduced himself as the new PG&E Government and Public Affairs Representative.

Emeric Kalman requested that the Commission reschedule the June 29th CIP workshop as it conflicts with the Board of Supervisors Rules Committee meeting concerning Charter amendments.

The Commission took the agenda out of order and discussed Item 12 first.

REGULAR

12. Public Hearing - To consider amending the Rules of Order of the San Francisco Public Utilities Commission.

President Makras suggested amending Rule 22 of the Rules of Order regarding Tapes of Closed Sessions to read "*Access to tape recordings of closed session meetings shall be restricted as follows, unless approved by the President of the Commission after consultation with the General Manager and City Attorney's Office.*"

The resolution as proposed by staff required that requests for access be reviewed and determined by the City Attorney.

Moved by President Makras, seconded by Commissioner Cook to adopt the following resolution as amended; passed (5-0) unanimously.

Resolution No. 01-0139: Amend the Rules of Order of the San Francisco Public Utilities Commission.

10. Discussion and possible action related to a resolution honoring Harold Guetersloh.

Moved by Commissioner Makras, seconded by Commissioner Caen to adopt the following resolution; passed (5-0) unanimously.

Resolution No. 01-0137: Adopt a resolution honoring Harold Guetersloh.

11. Discussion and possible action related to a resolution honoring Jill Thompson.

President Makras congratulated Ms. Thompson on her retirement and commended her for a job well done while serving as Commission Secretary.

Moved by Commissioner Caen, seconded by Commissioner Normandy to adopt the following resolution; passed (5-0) unanimously.

Resolution No. 01-0138: Adopt a resolution honoring Jill Thompson, Commission Secretary, on her retirement.

Jill Thompson was excused. Lorna Navarro took over.

13. Discussion and possible action related to the Peninsula Watershed Management Plan.

Joseph Naras, Watershed Resource Manager, gave a presentation using computer display. Mr. Naras noted that the Plan provides a policy framework for the PUC for making consistent decisions about activities, practices, and procedures for protecting the watershed, water quality, and public health in SFPUC watershed lands. Mr. Naras described the watershed planning process.

Mr. Naras stated that the planning horizon for the Plan was approximately 25 years and every five years, staff would look at the management actions in the plan and review their consistency with the applications or need for revision and update. A complete review and update of the plan would be required at the end of the 20-year period. The goals and policies of the plan are fixed; however, the management actions are meant to be revised and updated as necessary, providing the flexibility with respect to when and how they were implemented.

President Makras asked how the plan could keep up with the times as it relates to ridge trail and access issues since certain things are prohibited in the plan. He mentioned expansion of golf courses as an example. Mr. Naras responded that the plan as structured is adaptable and it allows the Commission to make changes to the policies. President Makras stated that he was confident that changes could be made but he wanted the Commission to be keenly aware that if the Commission proceeds, are we really backloading a commitment to all of these exclusions and inclusions as a 20-year plan, or are there things in the near future that should be folded into the plan.

Commissioner Normandy commented that it is difficult to anticipate every single issue. He would support the item as it provides framework and options to revisit specific issues such as the golf course and the ridge trail. Vice President Caen concurred.

Commissioner Cook stated that he was concerned about opening the ridge trail as it puts the water supply at risk and endangers existing habitat in the area.

Art Jensen, Bay Area Water Users Association General Manager, commented in support of staff's recommendation to adopt a Watershed Management Plan.

There were no other speakers.

Moved by Commissioner Normandy, seconded by Commissioner Caen to adopt the following resolution; passed (4-1). Commissioner Cook voted no.

Resolution No. 01-0140: Adopt the Peninsula Watershed Management Plan including the required findings and Mitigation Monitoring and Reporting Plan with respect to the final Environmental Impact Report.

14. Discussion concerning comparison of commercial paper and bond financing option.

Staff Recommendation: Discussion only.

President Makras moved to continue Item 14 to the next regularly scheduled Commission meeting on July 10, 2001, and directed staff to present a breakdown of actual dollars saved through commercial paper and the cost associated with monitoring the program. Commissioner Normandy seconded; passed (5-0) unanimously.

15. Discussion and possible action related to the Official Statement for the issuance of the \$140 million in Water Revenue Bonds, 2001 Series A. (Continued from the meeting of June 12, 2001.)

President Makras stated that, at the previous meeting, the Commission asked staff and the City Attorney's Office for assurance as to the accuracy of the Official Statement. He stated that the Commission had received a memorandum from the City Attorney's Office that addressed the concerns of the Commission as to full compliance to the contents of the Official Statement.

William Berry, Assistant General Manager for Finance & Administration, noted that if the Commission wanted to discontinue commercial paper entirely, it would be an appropriate time to issue the full \$304 million at once, as it will save the SFPUC a fair amount of cost and time. He stated that there were only two alternatives - either sell bonds or use commercial paper. He said staff's recommendation was to continue with commercial paper and issue \$164 million in bonds in the future.

President Makras directed staff to prepare an analysis of the savings from using commercial paper; and if the analysis suggests that it may mean doing a different bond sale, he would call for a special meeting if necessary.

Moved by Commissioner Bhatt, seconded by Commissioner Cook to adopt the following resolution; passed (5-0) unanimously.

Resolution No. 01-0141: Approve the Official Statement for not to exceed \$140,000,000 aggregate principal amount of Public Utilities Commission of the City and County of San Francisco water revenue bonds; delegate to the General Manager of the Commission authorization to complete, execute and distribute said document; and authorize the taking of necessary action.

Commissioner Normandy was excused at 3:30 P.M. through the end of the meeting.

16. Discussion and possible action related to transfer of funds from Clean Water Enterprise to fund unbudgeted debt service on the State Revolving Fund loan. (Continued from the meeting of June 12, 2001.)

President Makras referred to a meeting in February where he brought up concerns about over budgeting on salaries. He said he has the same concern for this item, particularly due to the amount of surplus from salaries and fringe benefits that were proposed for transfer to an unbudgeted expenditure. He reiterated his intent to bring the budget for salaries based on actual expenditures.

Commissioner Caen suggested that documents pertaining to an agenda item be sent to the Commission beforehand to give them ample time to review the materials before the meeting.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0142: Authorize the General Manager of Public Utilities to request the Controller to transfer \$1,830,000 from Clean Water Enterprise operating budget to fund additional debt service cost on the State Revolving Fund loans for the current fiscal year.

17. Discussion and possible action related to sewer service charge to single resident occupancy hotels. (Continued from the meeting of May 22, 2001.)

Staff Recommendation: Adopt a resolution regarding the application of the sewer service charge to single resident occupancy hotels.

Item 17 was continued from the meeting of May 22, 2001 as voted upon by the Commission to address a request from a constituent for rate relief for residential hotels. The Commission expressed its intent to consider if residential hotels currently billed at commercial/industrial rates should be classified as residences for rate purposes.

William Laws, Rate Administrator, discussed his findings based on discussions with the Office of the City Attorney. Mr. Laws also submitted alternative resolutions for consideration by the Commission.

Mr. Laws indicated that it would be difficult to come up and administer an appropriate rate mechanism for Single Resident Occupancy hotels. He stressed that the current rate structure for sewer services is equitable; however, the issue is whether the Commission wishes to provide service at less than cost to non-residential units.

Commissioner Bhatt indicated that he supports providing the same sewer rates for single resident occupancy hotels as residential units.

Commissioner Caen stated that what was important was to resolve issues about SFPUC's legal authority over this matter, the revenue impact, administrative burden and fairness.

Marshall Sanders commented against applying lifeline rate structure to non-residential hotels due to possible loss of revenues for the City.

Moved by President Makras, seconded by Commissioner Bhatt to continue Item 17 to the next regular meeting scheduled on July 10, 2001 to address concerns expressed by the Commission; passed (4-0) unanimously.

18. Discussion and possible action related to the Water Supply Lines Relocation Agreement.

Moved by Commissioner Makras, seconded by Commissioner Caen to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0143: Approve the terms and conditions and authorize execution, delivery, and performance of the Water Supply Lines Relocation Agreement for the replacement of Crystal Springs Pipeline No. 1 and relocation of Crystal Springs Pipeline No. 2 within the public right of way in South San Francisco; authorize and direct the General Manager of Public Utilities Commission to request the Director of Property to prepare and submit

legislation to the Mayor and the Board of Supervisors for approval of the Water Supply Lines Relocation Agreement; and authorize the General Manager of Public Utilities Commission to execute the Agreement, easement deeds and other documents contemplated by the Agreement.

Commissioner Caen was excused at 3:47 P.M.

LEASES AND PERMITS

19. Discussion and possible action related to SFPUC access road in Alameda watershed.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 01-0144: Approve proposed improvements to SFPUC access road in Alameda watershed as proposed by owner of the Mitchell property located approximately 7 miles south of Sunol on Calaveras Road, and approximately 2 miles west from Calaveras Road, provided that Conditions of Approval are met.

CONSTRUCTION CONTRACTS

Advertise

20. Discussion and possible action related to Hetch Hetchy Water & Power Contract No. HH-887.

Staff Recommendation: Approve the plans and specifications, and authorize the Utilities Engineering Bureau Manager to advertise for bids for Hetch Hetchy Water & Power Contract No. HH-887, Moccasin Domestic Water Improvements.

Item 20 was continued to the call of the Chair.

Commissioner Caen returned at 3:52 P.M.

21. Discussion and possible action related to Water Enterprise Contract No. WD-2319.

Item 21 called for approval to reject all bids received and re-advertise the contract.

President Makras asked about the basis of staff's recommendation to reject all bids and not go with Bidder No. 3 if the Human Rights Commission (HRC) rejected Bidder No. 1 and No. 2 for not meeting the MBE/WBE goals.

Ed West, Acting Utilities Engineering Bureau Manager, responded that staff did not recommend awarding the contract to Bidder No. 3 due to the \$80,000 difference between Bidder 3 and the lowest bidder. Tony Flores, City Distribution Division Manager, added that P&J Utility, the lowest bidder and Bidder No. 2 Shaw Pipeline, were not qualified at the time of bid opening and were deemed non-responsive by HRC.

Staff engaged in question and answer with the Commission concerning the bid process.

President Makras stated that he supports the wisdom to disqualify Bidders 1 and 2 based on HRC's ruling, but he cannot support re-bidding the contract when there is a qualified bidder. Had this been an item requiring a policy decision by the Commission, he said he would have supported it.

Commissioner Bhatt expressed support in awarding the contract to the third bidder.

Public Comment:

Paul Miller, President of P&J Utility, urged that the Commission award the contract to P&J Utility and not to the third bidder. He indicated that if the Commission so decides to rebid the contract, that would give everybody an equal chance. He stated that HRC determined that they were non-responsive because they named a subcontractor who was not HRC certified. At the time of the bid, they did not know that the contractor was not certified as they were using them on a job currently running. The second bidder used the same contractor with the same information.

The Commission engaged in question and answer session concerning the certification of the subcontractor.

President Makras laid out several options for the Commission. One was reject staff's recommendation and award the contract to P&J as the low bidder; or two, reject staff's recommendation and award to Bidder No. 3. He recommended a motion to award the contract to P&J acknowledging that they met good faith efforts in their bids. Vicki Clayton, Utilities General Counsel advised that the Commission does not have the authority to override HRC's decision, but they could hold the award pending an appeal to HRC. With that, President Makras entertained a motion stating the Commission's intent to award the contract to P&J Utility and send it back to HRC with a letter from the General Manager that the Commission believed that P&J met a good faith effort to meet MBE/WBE goals, give P&J the opportunity to be certified and request HRC to reverse its decision taking into

account the public testimony and SFPUC's belief that a good faith effort was made. Vice President Caen moved, Commissioner Bhatt seconded.

President Makras directed that if HRC does not change their decision, the item should come back to the Commission and recommend award to Bidder 2 or Bidder 3. If the Commission does not support Bidder No. 3 as the first qualified bidder, then staff can present a recommendation to go out for rebid.

Diana Rathbone of the Human Rights Commission commented that she will bring this back to the Director of the Human Rights Commission, but it was unlikely that HRC's determination would change. She noted that requirements were mentioned in prebid meetings and they use a procedure to encourage subcontractors to submit letters. Contractors dealing with the City are aware that they need to be certified at the time of the bid and they are all aware how to check if subcontractors are qualified or not. Certified subcontractors are listed on the internet but did not include expiration date. However, contractors do not need to check the Internet as HRC sends them a letter regarding certified firms.

Moved by Commissioner Caen, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0145: Recommend to the Human Rights Commission to reverse its decision concerning the award of Hetch Hetchy Water & Power Contract No. HH-887, Moccasin Domestic Water Improvements, and award the contract to P&J Utility Co. taking into account the public testimony and SFPUC's belief that a good faith effort was made.

Moved by Commissioner Caen, seconded by Commissioner Bhatt to adopt Item Nos. 22 and 23 collectively; passed (4-0) unanimously.

22. Resolution No. 01-0146: Approve the plans and specifications for Contract No. WD-2340, Recoating of Bay Division Pipe Line Nos. 1 and 2 in Vicinity of the Irvington Pump Station, and authorize the Utilities Engineering Bureau Manager to advertise for bids.
23. Resolution No. 01-0147: Approve the plans and specifications for Contract No. WD-2343, Chlorine Station Refurbishments, and authorize the Utilities Engineering Bureau Manager to advertise for bids.

Award

24. Discussion and possible action related to Hetch Hetchy Water & Power Contract No. HH-893.

Commissioner Cook moved, Commissioner Caen seconded to adopt the item.

President Makras asked whether there was excess money from the SCADA Project to transfer to this project. Mr. West explained that there was no excess money, but the project is already being developed and that waiting for Federal Emergency Management Agency (FEMA) to refund the project was a reasonable thing to do.

President Makras commented that the project ranked high on the Commission's priority, and he supports the item but he wanted to know where the SCADA project stands and whether it is on budget.

Commissioner Cook asked how much would be reimbursed from FEMA. Mr. West responded that the amount of FEMA reimbursement would be based on their inspection of restoration of the bridge to its pre-disaster condition. There may not be 100% reimbursement, but the amount to restore the bridge to its pre-disaster condition would be reimbursed. Although the issue of whether the reimbursed funds should go back to the SCADA project is Hetch Hetchy's decision, he would recommend it.

President Makras recommended that the maker and seconder include in the resolution to authorize staff to designate FEMA reimbursement monies to the SCADA project. He directed staff to submit a summary on the status of the SCADA project and whether it is on time and on budget.

Mr. Leonard pointed out that this project is different from the Water Enterprise SCADA system.

Commissioner Cook and Commissioner Caen moved and seconded to include the President's recommendation. The motion passed unanimously (4-0).

Moved by Commissioner Cook, seconded by Commissioner Caen to adopt the following resolution as amended; passed (4-0) unanimously.

Resolution No. 01-0148: Approve transfer of \$550,000 from SCADA Security & Control-East Project to South Fork Bridge & Road Repairs; apply funds reimbursed by the Federal Emergency Management Agency (FEMA) to Hetch Hetchy SCADA Security and Control-East; and award Hetch Hetchy Water & Power Contract No. HH-893, South Fork Bridge & Road Repairs, in the amount of \$2,178,368 to Mitchell Engineering.

25. Discussion and possible action related to Water Enterprise Contract No. WD-2337.

Chris Nelson, Regional Water Senior Project Manager from the Utilities Engineering Bureau, responded to questions from the Commission regarding funding for the project.

Moved by Commissioner Cook, seconded by Commissioner Caen to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0149: Award Water Enterprise Contract No. WD-2337, Harry Tracy Water Treatment Plant Residuals Thickening, in the amount of \$7,973,270 to Proven Management, Inc.

Close

Moved by Commissioner Cook, seconded by Commissioner Caen to adopt Item Nos. 26, 27, 28, 29, 30, 31, and 32; passed (4-0) unanimously.

26. Resolution No. 01-0150: Accept work performed for Hetch Hetchy Water & Power Contract No. HH-888, Moccasin Sewer Replacement; approve Modification No. 3 increasing the contract by \$120,484 and extending the time by 25 calendar days; release retention of \$75,488.05 from escrow; and authorize final payment of \$145,416 to Proven Management, Inc.

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PROFESSIONAL SERVICE CONTRACTS

Advertise

33. Discussion and possible action related to Brokerage Services for an Owner-Controlled or Contractor-Controlled Insurance Program for the Capital Improvement Program.

Kingsley Okereke, Bureau of Finance Director, spoke to the item. He pointed out that the Request for Proposal would request proposals for Brokerage Services for an Owner-Controlled Insurance Program (OCIP) and Contractor-Controller Insurance Program (CCIP). The scope of work for both of them are the same and the only difference would be that the SFPUC would control OCIP and an outside

contractor would control CCIP. He noted that a Construction Manager would be required irrespective of which type of insurance program was selected.

President Makras asked about SFWA's participation on the project. Mr. Okereke stated that SFWA initially was part of the program but once the RFP process started, SFWA excluded themselves as they were interested to bid on the RFP. President Makras stated that he wanted to ensure that SFWA's participation in the program was recognized and made part of their scorecard if they participated in contemplation of their contract.

John Kluesener of the San Francisco Water Alliance noted that they have worked on this project in early October, put together a plan to work with, provided a background on the OCIP and CCIP programs, and crafted a package to allow the City to go forward with this project. He stated that SFWA agrees that this is the best way to get the maximum benefit from the program.

President Makras wanted to be on record that the Commission wanted SFWA to do this assignment as their contract contemplated, and SFWA agreed that they would be willing to undertake that in whole, but it was the wisdom of staff and the Commission to have the City's Risk Manager take the lead to maximize our options.

President Makras invited public comments. There were none.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0157: Authorize the Director of Finance to advertise and request proposals for SFPUC Agreement CS-674, Brokerage Services for an Owner-Controlled or Contractor-Controlled Insurance Program for the Capital Improvement Program.

Amend

34. Discussion and possible action related to Agreement No. CS-525A.

Moved by Commissioner Caen, seconded by Commissioner Cook to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0158: Authorize the Utilities Engineering Bureau Manager to execute Amendment No. 2 to Agreement No. CS-525A, Specialized Engineering Services with Olivia Chen Consultants, Manna Consultants, Inc., Kennedy/Jenks Consultants/SJ Engineers, CH2Mhill/Ocampo Esta, JV, SOHA/Telamon Engineering Consultants, Harza Engineering Co., and Tetra Tech, Inc.; increasing the agreement with Olivia Chen Consultants by \$462,372 for seismic evaluation of the Calaveras Dam and extending the term by 6 months to July 10, 2002; and increasing the total spending authority from \$4,000,000 to \$4,462,372.

35. Discussion and possible action related to Agreement No. CS-551.

Fonda Davidis, Project Manager for the Water Enterprise SCADA system, clarified that Hetch Hetchy's SCADA System was a separate project from the Water Enterprise and it had a separate funding for it.

Mr. Davidis stated that the agenda item before the Commission requested approval to amend the professional service agreement for Construction Management Services for the Water Enterprise SCADA system. The amendment was necessary to accommodate an anticipated 9-month delay in construction contract schedule and an additional three months for what was foreseen as protracted closeout procedures.

President Makras was concerned that the construction management was not brought up with this item. Mr. Davidis responded that the contractor for construction was being held responsible for the delay and for that reason staff was not predisposed to grant a time extension unless the contractor provides information that the delay was unavoidable. He said SFPUC was collecting liquidated damages according to the contract, and they were currently withholding payment for work performed.

President Makras directed staff to provide a summary of the status of the SCADA project, anticipated budget and whether it is on time and on schedule. He also requested an explanation of how Hetch Hetchy's SCADA system interfaces with the larger SCADA project.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (3-1). President Makras dissented as he felt that the construction contract should have been brought in parallel with the agenda item and proper documentation concerning the construction project should have been presented to the Commission.

Resolution No. 01-0159: Authorize the Utilities Engineering Bureau Manager to execute Amendment No. 1 to Agreement No. CS-551, Construction Management Services for Water Enterprise SCADA Project, with CH2M Hill/Ocampo Esta, Joint Venture, increasing the contract by \$600,000 and extending the term by one year to December 31, 2002.

CLOSED SESSION

36. Public comments on matters to be discussed in Closed Session.

There were none.

37. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session at 5:00 P.M. to discuss the following matters:

38. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: 9 acres at the end of Sneath Lane in the northern part of the Peninsula Watershed
Parties Negotiating: City of Pacifica and Pacifica Land Trust
CCSF - Milstein/Dowd/Davis
Under Negotiation: Terms of sale.

Item 38 was continued to the call of the Chair.

39. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Bay Bridge Pump Station Site
Parties Negotiating: Caltrans
CCSF - Dowd/Kubick
Under Negotiation: Terms of purchase

Present were President Makras, Vice President Caen, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities

General Counsel Vicki Clayton, Acting Commission Secretary Lorna Navarro, Bureau of Commercial Land Manager Gary Dowd, and Project Manager Karen Kubick, and incoming Commission Secretary Mary Y. Jung.

No action was taken.

40. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: 1997 Flood Actions on Tuolumne and San Joaquin Rivers, Anderson et.al. v. CCSF, San Joaquin County Superior Court No. 004214.

Present were President Makras, Vice President Caen, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Acting Commission Secretary Lorna Navarro, and Deputy City Attorney Joshua Milstein, and incoming Commission Secretary Mary Y. Jung.

No action was taken.

41. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: California Trout v. CCSF, et.al., Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-127.

Present were President Makras, Vice President Caen, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Acting Commission Secretary Lorna Navarro, and Deputy City Attorney Joshua Milstein, and incoming Commission Secretary Mary Y. Jung.

No action was taken.

42. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(3)(A):

Anticipated Litigation: As Defendant Regarding Hetch Hetchy Water and Power Contract Disputes.

Item 42 was continued to the next regular Commission meeting scheduled on July 10, 2001.

43. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager, Public Utilities

Present were President Makras, Vice President Caen, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, and Utilities General Counsel Vicki Clayton, Acting Commission Secretary Lorna Navarro, and incoming Commission Secretary Mary Y. Jung.

No action was taken.

Following the Closed Session, the Commission reconvened in open session at 5:33 P.M.

44. Announcement following Closed Session.

President Makras announced the actions taken during Closed Session.

45. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, not to disclose the discussions during Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 5:34 P.M.

Jill R. Thompson
Secretary



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

MINUTES

(Rescheduled June 26, 2001 Meeting)

June 29, 2001

10:30 A.M.

City Hall, Room 400

1 Dr. Carlton B. Goodlett Place

DOCUMENTS DEPT.

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Frank L. Cook
Ashok Kumar Bhatt

AUG - 9 2001

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PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Steven D. Leonard
ACTING GENERAL MANAGER

Lorna T. Navarro
ACTING SECRETARY



NOTES

The workshop was called to order at 10:38 P.M.

Present were President Victor G. Makras, Commissioner Frank L. Cook, and Commissioner Ashok Bhatt. Commissioner Caen was excused.

Mr. William Berry gave a one-and-a-half hour presentation to the Commissioners using a power point presentation, accompanied by a 20-page handout, entitled "Long-Range Financial Plan, CIP Workshop #4", and a 44-page Appendix. This was followed by a half-hour question and answer period.

The overview consisted of information on the current financial condition of the PUC's Water and Clean Water Enterprises, and a summary of the CIP, which included information on program size, rate impacts, specific revenue funding proposals, bond proposals, a timeline for voter approvals, and an outline of the final Commission package.

President Makras noted that not one member of the Mayor's Infrastructure Task Force, other than Art Jensen of BAWUA, has attended any of the CIP Workshops and instructed staff to write a letter to all members of the ITF and invite them to the July 10th Commission Meeting.

President Makras also asked that PUC staff look at the \$4.3 billion and look for the weakest link in the group of projects, and to prioritize the list so that the PUC will know what is important and what is not so that the figure could possibly be reduced. He also asked if it was possible for future water bills to have an enclosure about the CIP as a means of educating the customer and inviting participation in the process.

A request was also made to the City Attorney to make suggestions in a reasonable amount of time to the RFP process to streamline and protect SFPUC's interests. He also asked Art Jensen to make suggestions to staff and staff should work with BAWUA and incorporate those suggestions where agreed to, and these would be added to the next report to the Commission.

The meeting was continued to the July 10th Commission meeting and was adjourned at 12:42 P.M.

Lorna T. Navarro
Acting Secretary

mj



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

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AGENDA

JUL - 6 2001

REGULAR MEETING

SAN FRANCISCO
PUBLIC LIBRARY

July 10, 2001
1:30 P.M.

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

07-06-01A10:45 RCVD

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Frank L. Cook
Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Steven D. Leonard
ACTING GENERAL MANAGER

Mary Y. Jung
SECRETARY



Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Jill R. Thompson at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Clerk, City Hall, Room 409, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-7724; Fax No.: (415) 554-7854; E-mail: Donna_Hall@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. San Francisco Water Alliance Monthly Report. (Kluesener)
 - b. Water Bond Ratings. (Berry)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

REGULAR BUSINESS

9. Discussion concerning the SFPUC Long Range Plans: Long Term Strategic Plan, the Capital Improvement Program, and the Long Range Financial Plan. (Berry)

Staff Recommendation: For discussion only.

10. Discussion concerning comparison of commercial paper and bond financing option. (Continued from the meeting of June 26, 2001). (Berry)

Staff Recommendation: For discussion only.

11. Discussion and possible action related to sewer service charge to single resident occupancy hotels. (Continued from the meeting of June 26, 2001.) (Laws)

Staff Recommendation: Adopt a resolution regarding application of the sewer service charge to single resident occupancy hotels.

12. Discussion concerning the Retail Water Shortage Plan. (Carlin)

Staff Recommendation: For discussion only.

13. Discussion concerning the Solar Bond Initiative. (Park)

Staff Recommendation: For discussion only.

CONSTRUCTION CONTRACTS

Award

14. Discussion and possible action related to Contract No. WD-2319. (Quan)

Staff Recommendation: Award Contract No. WD-2319, 6 and 8-inch Ductile Iron Main Installation in 18th Street between Sanchez Street and South Van Ness Avenue; in Lapidge Street between 18th Street and 19th Street; and in Dorland Street between Dolores Street and Guerrero Street in the amount of \$1,078,154 to J. Flores Construction.

15. Discussion and possible action related to Contract No. WD-2363. (Quan)

Staff Recommendation: Award Contract No. WD-2363, Lower Crystal Springs Dam Energy Dissipater, in the amount of \$266,871 to JMB Construction.

Close

16. Discussion and possible action related to Contract No. WD-2311. (Quan)

Staff Recommendation: Accept work performed for Contract No. WD-2311, CDD Newcomb Avenue Facilities Security and Fire Protection; approve Contract Modification No. 1, increasing the contract by \$59,908 with a time extension of 83 calendar days; and authorize final payment of \$60,305, and release of retention in the amount of \$10,211 to Schram Construction, Inc.

17. Discussion and possible action related to Contract no. WD-2179R2. (Quan)

Staff Recommendation: Accept work performed for Contract No. WD-2179R2, Alemany Pump Station Standby Generator and Related Work; approve modification No. 2 increasing the contract by \$73,255, with a time extension of 257 calendar days; and authorize final payment of \$218,818 and release of retention in the amount of \$175,974 to L.C. General Engineering and Construction.

18. Discussion and possible action related to Contract No. CW-251. (Quan)

Staff Recommendation: Accept work performed for Contract No. CW-251, 11th Avenue and 22nd Avenue Sewer Replacement; approve Modification No. 1 increasing the contract by \$45,849 with a time extension of 4 calendar days; and authorize final payment of \$88,080 to J. Flores Construction Company, Inc.

19. Discussion and possible action related to Contract No. CW-255. (Quan)

Staff Recommendation: Accept work performed for Contract No. CW-255, 26th Avenue/37th Avenue/Arguello Boulevard Sewer Replacement, approve Contract Modification No. 1 increasing the contract by \$51,279; and authorize final payment of \$93,732 to D'Arcy & Harty Construction, Inc.

20. Discussion and possible action related to Contract No. CW-256. (Quan)

Staff Recommendation: Accept work performed for Contract No. CW-256, California Street and 3rd Avenue Sewer Replacement, approve Modification No. 1 increasing the contract by \$1,249 with a time extension of 4 calendar days; and authorize final payment of \$23,651 to J. Flores Construction Company, Inc.

PROFESSIONAL SERVICE CONTRACTS

Award

21. Discussion and possible action related to as-needed environmental services. (Medbery)

Staff Recommendation: Authorize the Manager of the Bureau of Environmental Regulation and Management to negotiate and execute professional service agreements to provide as-needed environmental consulting services from five contractors: Baseline Environmental Consulting; Camp, Dresser, McKee, Inc.; Kennedy Jenks Consultants; Olivia Chen Consultants; and Weiss Associates with a total spending authority not to exceed \$3,000,000 over a period of two years.

CLOSED SESSION

22. Public comments on matters to be discussed in Closed Session.
23. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

24. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a): (Milstein/Lee)

Existing Litigation: California Trout v. CCSF, et al, Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-127.

25. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(3)(A):
(Furman)

Anticipated Litigation: As Defendant
Regarding Hetch Hetchy Water and Power Contract Disputes.

26. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and
San Francisco Administrative Code Section 67.10(b):

Position: General Manager, Public Utilities

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL
RECONVENE IN PUBLIC SESSION.

27. Announcement following Closed Session.

28. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

City and County of San Francisco
Public Utilities Commission
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San Francisco, CA 94103

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Government Information Center
100 Larkin Street, 5th Floor

32

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10/01
24/01
5



San Francisco Public Utilities Commission

City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

MINUTES

July 10, 2001
1:30 P.M.

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

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OCT - 1 2001

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Ann Moller Caen, Vice President
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Hetch Hetchy Water & Power
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Customer Service
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Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Steven D. Leonard
ACTING GENERAL MANAGER

Mary Y. Jung
SECRETARY



ORDER OF BUSINESS:

1. Call to Order: 1:52 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner Frank L. Cook.

Commissioner Bhatt arrived at 2:17 P.M.

Excused - Commissioner E. Dennis Normandy

The Commission took the agenda out of order to discuss the Closed Session agenda first.

CLOSED SESSION

22. Public comments on matters to be discussed in Closed Session.

There were none.

23. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Caen, to assert the attorney-client privilege; passed (3-0) unanimously.

The Public Utilities Commission met in Closed Session at 1:54 P.M. and discussed the Closed Session agenda in the order in which they were listed below:

Commission Bhatt arrived at 2:17 P.M. during discussion of Item 25.

25. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(3)(A):

Anticipated Litigation: As Defendant
Regarding Hetch Hetchy Water and Power Contract Disputes.

Present were President Makras, Vice President Caen, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, Assistant General Manager for Operations Lawrence T. Klein, Assistant General Manager for Power Policy Ed Smeloff, Acting General Manager for Hetch Hetchy Water &

Power Laurie Park, City Attorney Louise Renne, Deputy City Attorney Theresa Mueller, and Deputy City Attorney Donn Furman.

No action was taken.

24. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: California Trout v. CCSF, et.al., Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-127.

Present were President Makras, Vice President Caen, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, Bureau of Planning Director Michael Carlin, and Deputy City Attorney Joshua Milstein.

No action was taken.

26. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager, Public Utilities

Present were President Makras, Vice President Caen, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, and Commission Secretary Mary Y. Jung.

No action was taken.

Following the Closed Session, the Commission reconvened in open session at 3:09 P.M.

27. Announcement following Closed Session.

President Makras announced that no action was taken during Closed Session.

28. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, not to disclose the discussions during Closed Session; passed (4-0) unanimously.

At 3:10 P.M., the Commission resumed with the discussion of the Regular Agenda.

3. Approval of Minutes

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt the Minutes of the Regular Meeting of April 24, 2001 and the Minutes of the Regular Meeting of May 22, 2001; passed (4-0) unanimously.

4. Communications

No action was taken.

5. Old/Ongoing Business by Commissioners

There was no discussion.

6. Introduction of New Business by Commissioners

There were none.

7. Report of the General Manager

Steven D. Leonard, Acting General Manager of Public Utilities, requested that Item 10 be removed from the agenda.

a. San Francisco Water Alliance Monthly Report.

John Kluesener of the San Francisco Water Alliance gave a report concerning SFWA's Key Performance Measures (KMP's) and accomplishments as of June 2001.

The first key performance measure was to put together a draft Capital Improvement Plan (CIP). SFWA submitted a draft CIP package for Hetch Hetchy Water & Power, Clean Water Enterprise, Local, and Regional Water Systems in January 2001 and developed a critical path schedule for all of the projects that were part of the 10-Year CIP.

The second key performance measure was to establish a MBE/WBE goal of 10% for women-owned businesses and 30% for minority-owned businesses for the first year of the contract. SFWA is currently at about 14% on the women-owned businesses and 29% on the minority-owned businesses.

The third and fourth key performance measures deal with training. SFWA had developed a training program for project management, project control, communications, and construction management. Training sessions are moving forward.

The fifth key performance measure was to put together a monthly reporting system and that system is already in place.

Regarding savings, Mr. Kluesener noted that SFWA was looking at ways to generate savings through value engineering, optioneering, Owner-Controlled Insurance Program, closing out all projects within six months of construction completion; and setting up processes, procedures, and tools to deliver the Capital Improvement Program.

President Makras commented that he wanted the actual savings amount identified when the contract goes to the Board of Supervisors' Finance Committee for approval. He also wanted realistic MBE/WBE goals and actual work for MBE/WBE contractors to give them the best opportunity to graduate from the MBE/WBE program.

b. Water Bond Ratings.

William Berry, Assistant General Manager for Finance & Administration, spoke about a press release reporting on Standard & Poor's downgrade of Water Enterprise, Water Revenue Bonds from double A minus (-AA) to A plus (A+). The issues that led to the downgrade were due to Proposition H and its continuing limitations on SFPUC's flexibility with regard to funding, and concern about the ability to get voter approvals for anything necessary to implement the CIP. Mr. Berry indicated that staff's projections of the Water Enterprise looked better than they did three years ago when Prop H passed. He said he was particularly more concerned with the downgrade of the Clean Water Enterprise. Mr. Berry stated that if rates could be raised five and a half percent a year for four years, it would increase the level of Repair & Replacement (R&R) funding and spending for Clean Water and solve the Prop H problem. However, that requires either an amendment of Prop H or the Commission and the Board of Supervisors passing a rate increase irrespective of Prop H. Mr. Berry stated that he would recommend that the Commission consider a recommendation to amend Prop H to allow rate increases.

c. Power Plant.

Ed Smeloff, Assistant General Manager for Power Policy, talked about a proposal to build a 50-megawatt power plant at the airport. He said a Request for Qualifications (RFQ) has been developed by staff and sent out to qualified project developers. Mr. Smeloff stated that staff would ask Commission's approval to enter into negotiations and select a developer of the power plant.

President Makras asked why they were not aiming for a larger plant or two plants. Mr. Smeloff stated that the critical load at the Airport was 50

megawatts. He said expansion of the plant could be looked at as further development, but 50-megawatt plant was the quickest way to provide the needed power at the Airport. The licensing process for a larger sized plant will take more time while this proposal will take only 21 days. He noted that the RFQ requested developers to address the possibility of expansion to a combined cycle plant to produce additional electricity.

8. Public Comments on matters not on today's agenda.

Lauren Ladd, representing Wrisc, Inc., requested the Commission to reconsider the qualifications set forth for proposals for brokerage services for the CIP's Owner-Controlled Insurance Program, eliminate insurance brokers as prospective proposers, and grant independent, owner-controlled insurance program risk management consultant firms, such as Wrisc, Inc., the opportunity to compete in this RFP.

Art Jensen, General Manager of the Bay Area Water Users Association, handed copies of resolutions and formal actions of the 29 suburban purchasers accepting the Water Shortage Allocation Plan agreement.

Emeric Kalman asked whether there would be a staff analysis prepared about the two initiatives affecting the SFPUC.

REGULAR BUSINESS

9. Discussion concerning the SFPUC Long Range Plans: Long Term Strategic Plan, the Capital Improvement Program, and the Long Range Financial Plan.

Staff Recommendation: For discussion only.

Michael Carlin, Bureau of Strategic and Systems Planning Manager, stated that staff submitted a Decision Document containing the Long-term Strategic Plan, Capital Improvement Program, Long-Range Financial Plan, and various staff's recommendations that he and William Berry, Assistant General Manager for Finance & Administration discussed later in their presentations.

Long-Term Strategic Plan

Mr. Carlin summarized the strategic objectives for the four business units within SFPUC - power, regional water, local water, and clean water; and the Capital Improvement Program.

Capital Improvement Plan

Mr. Carlin stated that the R&R Program cost is \$710 million and the CIP is about \$3.5 billion (total of \$4.2 billion) over ten years. The cost increase per day over a 10-year period is about \$1.26. Staff's recommendations pertaining to the CIP were: (1) centralize the responsibility and control of the CIP through a dedicated CIP manager; (2) build a CIP contingency management reserve; (3) implement an alternative analysis process for all CIP projects; (4) implement a CIP approval process; (5) develop a standardized quarterly reporting process on the implementation of the CIP; (6) identify a block of funding for R&R for regional water, clean water, and for local water to give flexibility and accountability to operating divisions on how they spend their R&R dollars; (7) annual appropriation of budgets and schedules for R&R projects; (8) annual update and approval of a 10-year CIP; (9) annual capital budget process; (10) develop an asset management system for all utilities; and, (11) develop performance measures.

Long-Range Financial Plan

William Berry, Assistant General Manager for Finance & Administration, talked about the Financial Plan, the policy recommendations, and decisions required of the Commission which were all included in the Decision Document.

Mr. Berry stated that the decisions required of the Commission were to approve the Long-Range Financial Plan for both the Water and Clean Water Enterprises after approval of the entire Capital Improvement Program. Other recommendations laid out in the Decision Document were: (1) use of extraordinary revenue for one-time purposes to support the capital program, the R&R program, and help stabilize retail rates; (2) implement a pay-as-you-go funding process for the R&R program; (3) establish a rate increase policy keeping the rates level over a period time to have enough funding for the capital program and maintain long-term consistency; (4) recommend a \$1.36 billion bond measure to finance the projects in the CIP for the regional water system; (5) recommend a \$160 million bond measure to fund the costs of CIP for the local water system; (6) recommend a \$540 million bond measure to fund projects in the CIP for the Clean Water Enterprise; and, (7) recommend a ballot measure amending Prop H to allow SFPUC to raise rates.

Mr. Berry stated that funding for the first phase of the program would be requested to fund projects that would begin in the first five years, and another bond measure of similar size would be requested in four years to fund the second phase of the program. Commissioner Cook suggested asking the voters for the entire amount at once rather than phasing it in. Mr. Berry stated that it is a policy decision for the Commission; however, a larger size bond risks the entire bonds not being approved by the voters, which would set back the capital program. Commissioner Cook indicated that knowing it is rejected upfront is better than halfway through the

process. Mr. Berry stated if we could convince the public that we must rebuild the system, and that the cost of this is affordable, then we might be able to get the voters to approve the entire amount.

President Makras stated that he supports Commissioner Cook's recommendation to go with one bond measure as it allows us to articulate our story better and put forward a Bill of Rights to the ratepayer that we are rebuilding the system and it would cost them \$3.59 per month rate increase for ten years to rebuild it.

President Makras noted that he also wanted an unequivocal understanding of Bay Area Water Users Association (BAWUA's) interest and support of the final Decision Document.

Public Comments:

Emeric Kalman commented that the CIP document was not user friendly. He wanted to know what the increase would be on an average customer bill because of the proposed system improvements.

In response to President Makras, Art Jensen, Bay Area Water Users Association, stated that BAWUA agencies are interested and would be more than willing to work with SFPUC on arranging other forms of financing process that retain the fair allocation of costs to all parties. He would work hard to get all 29 agencies to agree and support the Decision Document and encouraged the Commission to move swiftly on adopting the document.

President Makras asked whether there was any member of the Infrastructure Task Force present. There was no one present. President Makras directed staff to draft a letter to the Task Force inviting them once again to the next Commission meeting to be held on July 24, 2001.

President Makras moved to continue Item 9 to the next regular Commission meeting scheduled for July 24, 2001. Commissioner Cook seconded; passed (3-0) unanimously.

Commissioner Caen was excused at 4:45 P.M. and returned at 4:50 P.M.

10. Discussion concerning comparison of commercial paper and bond financing option. (Continued from the meeting of June 26, 2001).

Staff Recommendation: For discussion only.

Item was continued to the next regular Commission meeting scheduled for July 24, 2001.

At 4:59 P.M., the meeting was recessed.

At 5:07 P.M., the meeting reconvened.

Commissioner Bhatt was excused at 5:07 P.M.

11. Discussion and possible action related to sewer service charge to single resident occupancy hotels. (Continued from the meeting of June 26, 2001.)

Staff Recommendation: Adopt a resolution regarding application of the sewer service charge to single resident occupancy hotels.

Moved by President Makras, seconded by Commissioner Cook to continue Item 11 to the next regular Commission meeting scheduled on July 24, 2001; passed (3-0) unanimously.

12. Discussion concerning the Retail Water Shortage Plan.

Staff Recommendation: For discussion only.

Moved by President Makras, seconded by Commissioner Cook to continue Item 12 to the call of the Chair; passed (3-0) unanimously.

Commissioner Bhatt returned at 5:10 P.M.

13. Discussion concerning the Solar Bond Initiative.

Staff Recommendation: For discussion only.

Ed Smeloff, Assistant General Manager for Power Policy, stated that Supervisors Leno, Maxwell, McGoldrick, and Peskin authored a ballot measure authorizing \$100 million in revenue bonds that would be used to finance energy efficiency measures, solar energy procurement, and other renewable energy technologies. The Mayor's Office had asked the SFPUC to provide technical support to analyze the impact of the measure and to determine possible ways to finance this project and make this an ongoing concern. Mr. Smeloff stated that the plan fits in with other plans to make the City & County of San Francisco more energy independent and to provide environmentally benign electric source of generation that is cost effective.

Mr. Smeloff stated that staff was putting together a mix of technologies and looking at acquiring ten megawatts of solar, thirty megawatts of wind, and investing about \$15 million in energy efficiency in City departments.

Commissioner Caen expressed concerns as to the urgency of the ballot when it is incomplete, and its possible effect on the bond issues for the CIP. Mr. Smeloff

stated that the fact that it is being supported by facilities charges from departments, it will create minimal risks, and it should not reflect on the bonds for other enterprise groups within the PUC.

Commissioner Cook stated that he was reluctant to support this as it was presented to the Commission very late in the process and he needs more information regarding the project. Mr. Smeloff noted that the item was not for action but for information only.

CONSTRUCTION CONTRACTS

Award

14. Discussion and possible action related to Contract No. WD-2319.

This item is a continued item from the last meeting where the Commission gave direction of its interest for HRC to re-evaluate the disqualification of P&J Utility Company. Staff had reaffirmed their decision and now recommended to proceed with Bidder Number 3, J. Flores Construction.

President Makras asked whether a representative from P&J Utility Company was present and no one was present.

Moved by Commissioner Cook, seconded by Commissioner Caen to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0161: Award Contract No. WD-2319, 6 and 8-inch Ductile Iron Main Installation in 18th Street between Sanchez Street and South Van Ness Avenue; in Lapidge Street between 18th Street and 19th Street; and in Dorland Street between Dolores Street and Guerrero Street in the amount of \$1,078,154 to J. Flores Construction.

15. Discussion and possible action related to Contract No. WD-2363.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0162: Award Contract No. WD-2363, Lower Crystal Springs Dam Energy Dissipater, in the amount of \$266,871 to JMB Construction.

Commissioner Caen was excused at 5:30 P.M. through the end of the meeting.

Close

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt Item Nos. 16, 17, 18, 19, and 20 collectively; passed (3-0) unanimously.

16. Resolution No. 01-0163: Accept work performed for Contract No. WD-2311, CDD Newcomb Avenue Facilities Security and Fire Protection; approve Contract Modification No. 1, increasing the contract by \$59,908 with a time extension of 83 calendar days; and authorize final payment of \$60,305, and release of retention in the amount of \$10,211 to Schram Construction, Inc.
17. Resolution No. 01-0164: Accept work performed for Contract No. WD-2179R2, Alemany Pump Station Standby Generator and Related Work; approve modification No. 2 increasing the contract by \$73,255, with a time extension of 257 calendar days; and authorize final payment of \$218,818 and release of retention in the amount of \$175,974 to L.C. General Engineering and Construction.
18. Resolution No. 01-0165: Accept work performed for Contract No. CW-251, 11th Avenue and 22nd Avenue Sewer Replacement; approve Modification No. 1 increasing the contract by \$45,849 with a time extension of 4 calendar days; and authorize final payment of \$88,080 to J. Flores Construction Company, Inc.
19. Resolution No. 01-0166: Accept work performed for Contract No. CW-255, 26th Avenue/37th Avenue/Arguello Boulevard Sewer Replacement, approve Contract Modification No. 1 increasing the contract by \$51,279; and authorize final payment of \$93,732 to D'Arcy & Harty Construction, Inc.
20. Resolution No. 01-0167: Accept work performed for Contract No. CW-256, California Street and 3rd Avenue Sewer Replacement, approve Modification No. 1 increasing the contract by \$1,249 with a time extension of 4 calendar days; and authorize final payment of \$23,651 to J. Flores Construction Company, Inc.

PROFESSIONAL SERVICE CONTRACTS

Award

21. Discussion and possible action related to as-needed environmental services.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 01-0168: Authorize the Manager of the Bureau of Environmental Regulation and Management to negotiate and execute professional service agreements to provide as-needed environmental consulting services from five contractors: Baseline Environmental Consulting; Camp, Dresser, McKee, Inc.; Kennedy Jenks Consultants; Olivia Chen Consultants; and Weiss Associates with a total spending authority not to exceed \$3,000,000 over a period of two years.

Thereupon, the meeting was adjourned: 5:33 P.M.

Mary Y. Jung
Secretary



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

MINUTES

July 24, 2001
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

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Victor G. Makras, President
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Frank L. Cook
Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Steven D. Leonard
ACTING GENERAL MANAGER

Mary Y. Jung
SECRETARY



ORDER OF BUSINESS:

1. Call to Order: 1:45 P.M.
2. Roll Call: Present - President Victor G. Makras, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook, Commissioner Ashok Bhatt

Excused - Vice President Ann Moller Caen

3. Approval of Minutes

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to adopt the Minutes of the May 8, 2001 Regular Meeting; passed (4-0) unanimously.

4. Communications

No action taken.

5. Old/Ongoing Business by Commissioners

Commissioner Normandy requested a report on the status of the vacancy on the Residential Users Appeals Board (RUAB). Marge Vizcarra, Customer Service Bureau Manager, reported that 200 notices were sent to gardeners within San Francisco and only one person showed possible interest. Notices were also sent to major organizations. Ms. Vizcarra stated that staff's next plan was to advertise it in local newspapers.

6. Introduction of New Business by Commissioners

There were none.

7. Report of the General Manager

Lawrence T. Klein, Acting General Manager of Public Utilities, requested that Item 14 be removed from the agenda.

- a) Sewer Service Charge to Single Resident Occupancy Hotels.

William Laws, Rate Administrator, reported that the Board of Supervisors did not pass the proposal to revise the Sewer Service Charge to Single Resident Occupancy Hotels. The Board was concerned about the possible revenue loss and fairness to other ratepayers.

b) Charter Amendments.

Ed Smeloff, Assistant General Manager for Power Policy, reported on the Monday, July 23rd Board of Supervisors' meeting. Of the two Charter amendments that would affect the SFPUC, only Supervisor Ammiano's proposal would be on the November 2001 ballot. If the proposed amendment passes with the voters, the new agency will go into effect May 1, 2002.

Mr. Smeloff also reported that the Board passed the Solar Bond Initiative for solar energy efficiency projects. It would also go on the November ballot.

8. Bay Area Water Users Association General Manager's Report

a) Next Steps.

Art Jensen, Bay Area Water Users Association (BAWUA) General Manager, advised that BAWUA member agencies approved the implementation of the SFPUC CIP; but he wanted to bring the Commission's attention to four of his concerns: (1) consider the funding options he proposed; (2) make certain that resources are in place; (3) streamline the contracting process; and (4) work with agencies and communities the SFPUC serves for crisis management. President Makras asked to work towards a 72-hour plan.

Mr. Jensen introduced a list of guests who were present at today's meeting. They were: Redwood City Council Member, Jeff Ira; Redwood City Public Works Director, Peter Ingram; Menlo Park Mayor, Nicholas Jellins; Foster City Mayor, Marland Townsend; Foster City Public Works Director, John Lisenko; Daly City Assistant City Manager, Pat Martel; Daly City Water and Waste Water Director, Patrick Sweetland; San Mateo Building Trades Council Business Manager, Bill Nack; Silicon Valley Manufacturing Group Director of Environmental Programs, Margaret Bruce; Alameda County Water District President, Jim Gunther; Mid-Peninsula Water Users Director, Chuck Wagonseller; Sunnyvale Council Member, Tim Risch; Sunnyvale Field Services Superintendent Jim Craig; and Bay Area Water Users Association staff members Nicole Sandkulla and John Ummel.

9. Public Comments on matters not on today's agenda.

There were no public comments.

REGULAR BUSINESS

10. Discussion and possible action concerning the SFPUC Long Range Plans: Long Term Strategic Plan, the Capital Improvement Program, and the Long Range Financial Plan.

Staff Recommendation: Approve the proposed Long-Term Strategic Plan, 10-Year Capital Improvement Program, Long-Range Financial Plan, and proposed ballot measure recommendations as contained in the July 10, 2001, *Decision Document*.

At the beginning of the discussion, President Makras asked if there were members of the Task Force present and there was no response. It was noted that no one from the Task Force was present although they had been invited to attend today's Commission meeting.

President Makras stated that the Commission would have a full CIP document to pass at the next meeting. The Commission agreed that a CIP for Hetch Hetchy Water & Power (HHWP) was also necessary and asked Ed Smeloff to head this endeavor by using the February 28th document that outlined a possible framework. President Makras asked how long it would take to bring the Hetchy CIP back to Commission. Mr. Smeloff advised that he foresaw it being divided into two sections and that he could have a draft for the next Commission meeting.

Public Comments:

Art Jensen, General Manager, Bay Area Water Users Association, commented that the CIP Plan was a "tremendous step forward". With respect to the allocation of regional water system costs, he suggested that the assumptions be noted on the appropriate graphs and tables.

Nicholas Jellins, Mayor, City of Menlo Park, voiced his community's approval of the SFPUC CIP.

Marland Townsend, Mayor of Foster City, voiced the reliability concern stating that large companies in Foster City cannot afford to be without water for 30 or 60 days in case of catastrophe. He went further stating that for some of these companies, being without water could have national repercussions.

Sandy Eakins, Mayor of Palo Alto, voiced her community's approval of the SFPUC CIP and encouraged adoption of the plans.

Mr. Tim Risch, Council Member from Sunnyvale, urged the Commission to approve and implement the Long-Range Strategic Plan, the Capital Improvement Plan and the Long-Range Financial Plan. He stated that his City has a population of 137,000 and reliability was their main concern.

Mr. Jeff Ira, Council Member from Redwood City, stated that their Council and members of his community were willing to pay their fair share to improve the system.

Jim Gunther, President of the Board of Directors of the Alameda County Water District, commented in support of moving ahead with the CIP plans and starting it right now.

Mr. William Nack, representing the San Mateo County, Santa Clara County, and the San Francisco County Bay Area Building Trades Council, commented that their organization was prepared to pay their share of the cost of improvements. They were also supportive of staff's recommendation for an amendment to the City's current rate freeze and voter consideration of the first phase of improvements requiring more than \$2 billion in new revenue bonds. He urged that the Commission proceed without delay to fund and implement the improvements.

Margaret Bruce, Environmental Programs Director of the Silicon Valley Manufacturing Group, voiced her members' support in implementing the CIP.

Jim Mathias, Vice President for Public Affairs for the San Francisco Chamber of Commerce, said that the voters need more information and once they have the facts, they will support the CIP as well.

Commissioner Normandy had concerns relative to the list of projects presented in the Plan; some of which could be considered separate from the entire CIP, as they do not meet the risk and reliability criteria such as the Upgrade of 425 Mason Street Building and Lake Merced. He further stated that the Lake Merced Emergency Supply Improvement should stand with other Lake Merced projects.

Commissioner Normandy said that he wanted to focus on reliability and act as quickly as possible on high-risk items. He said that the "Third Street Rail Project" did not necessarily fall under the categories of high risk and threatened reliability; and, therefore, it should be kept separate from the CIP. Commissioner Normandy continued stating that "Program Management" and "Demolition of Unsafe Structures" should be tied to specific projects. Mr. Carlin noted that Program Management was not factored in all of the projects and was not part of the CIP as it is a part of the annual appropriation process within the budget process.

Commissioner Cook said he wants to go forward with a bond measure to cover the entire CIP budget for 10 years instead of 5 years at a time.

President Makras asked the Commission to agree and to support Commissioner Cook's plan, and the \$3.56 per year increase per ratepayer for 10 years or an equal amount, which may be higher at the start and lower at the end of the 10-year plan. He suggested that the SFPUC consider a rate stabilization fund or a Bill of Rights for ratepayers. He said that staff should explore various rate structures and have their findings available for the Board of Supervisors.

President Makras recommended deletion of the "Watershed Land Acquisition Project" from the Project Summary. He also recommended deletion of "Northwest Reservoir Needs Assessment". The Northwest Reservoir does not spend much money in the first 10 years but it contemplates a reservoir, the site of which had not been identified. President Makras also recommended taking out "Water Reclamation" as it did not appear essential in the 10-year plan.

President Makras stated that he wanted to do whatever it takes to remedy the problem at Lake Merced in order to gain the confidence of the voters and support the CIP.

Moved by President Makras, seconded by Commissioner Normandy, to continue Item 10 to the next regular Commission meeting scheduled for August 13, 2001; passed (4-0) unanimously.

At 4:22 P.M., the meeting was recessed.

At 4:35 P.M., the meeting reconvened.

11. Discussion concerning comparison of commercial paper and bond financing option. (Continued from the meeting of July 10, 2001.)

Staff Recommendation: For discussion only.

Moved by President Makras, seconded by Commissioner Cook to continue Item 11 to the call of the Chair; passed (4-0) unanimously.

12. Discussion and possible action related to a fund transfer for the Clean Water Enterprise.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0169: Authorize the General Manager of Public Utilities to request the Controller to transfer \$470,000 to cover the increased cost for water treatment chemicals.

13. Discussion and possible action related to the development of a power plant at the San Francisco International Airport.

Ed Smeloff, Assistant General Manager for Power Policy, reported that he had received 16 proposals from top-rate project developers. He requested the Commission's authorization to negotiate with one or two developers. A final proposal would be submitted for approval by the Commission.

Jackie Williams, a resident of South of San Francisco, commented that residents of South San Francisco and San Mateo have not been informed of this issue and that the City of South San Francisco was planning a power generator across the street from the SFO planned site.

Mr. Smeloff commented that none of the other projects meets the need that the SFPUC's project meets. He also stated that the proposed SFPUC power plant would be configured where it provides reliability to the Airport on a circuit separate from the circuit that provides electricity to San Francisco.

President Makras directed staff to keep the Commission updated on the progress of this project.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0170: Authorize the General Manager to proceed with negotiations with developers for the expedited development of a minimum 50-megawatt power plant proposed to be located at the San Francisco International Airport.

14. Discussion concerning the Retail Water Shortage Plan. (Continued from the meeting of July 10, 2001.)

Staff Recommendation: For discussion only.

Item 14 was continued to August 14, 2001.

LEASES AND PERMITS

15. Discussion and possible action related to a permit with the City of South San Francisco.

Moved by Commissioner Normandy, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0171: Authorize the General Manager of Public Utilities to execute a Revocable Permit with the City of South San Francisco for use of SFPUC land located on a portion of Parcel 5 of the former Muni right of way and a portion of Parcel 24 of San Mateo County lands in South San Francisco, California for use as temporary construction staging area and street widening.

CONSTRUCTION CONTRACTS

Award

Moved by Commissioner Cook, seconded by Commissioner Normandy to adopt Items No. 16, 17, and 18 together; passed (4-0) unanimously.

16. Resolution No. 01-0172: Award Contract No. WD-2339, Seismic Upgrade for Bay Division Pipelines Nos. 1 and 2 at Hayward Fault Crossing – Phase A, in the amount of \$3,753,473 to Mitchell Engineering.
17. Resolution No. 01-0173: Award Contract No. CW-254, 26th Street/Folsom Street/Precita Avenue Sewer Replacement, in the amount of \$689,540 to Harty Pipelines.
18. Resolution No. 01-0174: Award Contract No. CW-273, Greenwich Street Sewer Rehabilitation and Replacement, in the amount of \$488,329 to JMB Construction, Inc.

PROFESSIONAL SERVICE CONTRACTS

Advertise

19. Discussion and possible action related to Owner-Controlled Insurance Program (OCIP) for the Capital Improvement Program.

Lauren Ladd, representing Wrisc, Inc., suggested that an OCIP broker be selected concurrently with an OCIP pricing model. (The proposal as submitted by staff recommended selection of a single insurance broker who would procure the requisite insurance coverage.) She said that the concurrent selection method she was proposing narrows the field to two strongest competitors; it increases the market competition; and it expedites the process of putting the OCIP in place.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0175: Approve the revised Request for Proposal for Brokerage Services for an Owner-Controlled Insurance Program for the Capital Improvement Program; and authorize the Director of Finance to advertise and request proposals for SFPUC Agreement No. CS-674, Brokerage Services for an Owner-Controlled Insurance Program for the Capital Improvement Program.

CLOSED SESSION

President Makras moved, Commissioner Normandy seconded, to continue the items listed under Closed Session (see below), to the next regular Commission meeting scheduled for August 14, 2001; passed (4-0) unanimously.

20. Public comments on matters to be discussed in Closed Session.
21. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.
22. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a): (Clayton)

Existing Litigation: Alfred Hamilton, Claim No. 00W6032-1/01-02412.
23. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(3)(A): (Furman)

Anticipated As Defendant
Litigation: Regarding Hetch Hetchy Water and Power Contract Disputes.

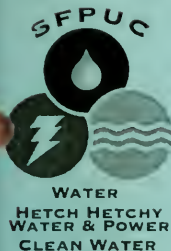
24. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager, Public Utilities

25. Announcement following Closed Session.
26. Motion regarding whether to disclose the discussions during Closed Session.

Thereupon, the meeting was adjourned: 5:01 P.M.

Mary Y. Jung
Secretary



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

AGENDA

REGULAR MEETING

July 24, 2001
1:30 P.M.

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Frank L. Cook
Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Steven D. Leonard
ACTING GENERAL MANAGER

Mary Y. Jung
SECRETARY



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The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Mary Y. Jung at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Clerk, City Hall, Room 409, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-7724; Fax No.: (415) 554-7854; E-mail: Donna_Hall@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a) Sewer Service Charge to Single Resident Occupancy Hotels. (Laws)
8. Bay Area Water Users Association (BAWUA) General Manager's Report
 - a) Next Steps. (Jensen)
9. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

REGULAR BUSINESS

10. Discussion and possible action concerning the SFPUC Long Range Plans: Long Term Strategic Plan, the Capital Improvement Program, and the Long Range Financial Plan. (Berry)

Staff Recommendation: Approve the proposed Long-Term Strategic Plan, 10-Year Capital Improvement Program, Long-Range Financial Plan, and proposed ballot measure recommendations as contained in the July 10, 2001, *Decision Document*.

11. Discussion concerning comparison of commercial paper and bond financing option. (Continued from the meeting of July 10, 2001.) (Berry)

Staff Recommendation: For discussion only.

12. Discussion and possible action related to a fund transfer for the Clean Water Enterprise. (Okereke)

Staff Recommendation: Authorize the General Manager of Public Utilities to request the Controller to transfer \$470,000 to cover the increased cost for water treatment chemicals.

13. Discussion and possible action related to the development of a power plant at the San Francisco International Airport. (Smeloff/Park)

Staff Recommendation: Authorize the General Manager to proceed with negotiations with developers for the expedited development of a minimum 50-megawatt power plant proposed to be located at the San Francisco International Airport.

14. Discussion concerning the Retail Water Shortage Plan. (Continued from the meeting of July 10, 2001.) (Carlin)

Staff Recommendation: For discussion only.

LEASES AND PERMITS

15. Discussion and possible action related to a permit with the City of San Francisco. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a Revocable Permit with the City of South San Francisco for use of SFPUC land located on a portion of Parcel 5 of the former Muni right of way and a portion of Parcel 24 of San Mateo County lands in South San Francisco, California for use as temporary construction staging area and street widening.

CONSTRUCTION CONTRACTS

Award

16. Discussion and possible action related to Contract No. WD-2339. (Quan)

Staff Recommendation: Award Contract No. WD-2339, Seismic Upgrade for Bay Division Pipelines Nos. 1 and 2 at Hayward Fault Crossing – Phase A, in the amount of \$3,753,473 to Mitchell Engineering.

17. Discussion and possible action related to Contract No. CW-254. (Quan)

Staff Recommendation: Award Contract No. CW-254, 26th Street/Folsom Street/Precita Avenue Sewer Replacement, in the amount of \$689,540 to Harty Pipelines.

18. Discussion and possible action related to Contract No. CW-273. (Quan)

Staff Recommendation: Award Contract No. CW-273, Greenwich Street Sewer Rehabilitation and Replacement, in the amount of \$488,329 to JMB Construction, Inc.

LEASES AND PERMITS

15. Discussion and possible action related to a permit with the City of South San Francisco. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a Revocable Permit with the City of South San Francisco for use of SFPUC land located on a portion of Parcel 5 of the former Muni right of way and a portion of Parcel 24 of San Mateo County lands in South San Francisco, California for use as temporary construction staging area and street widening.

CONSTRUCTION CONTRACTS

Award

16. Discussion and possible action related to Contract No. WD-2339. (Quan)

Staff Recommendation: Award Contract No. WD-2339, Seismic Upgrade for Bay Division Pipelines Nos. 1 and 2 at Hayward Fault Crossing – Phase A, in the amount of \$3,753,473 to Mitchell Engineering.

17. Discussion and possible action related to Contract No. CW-254. (Quan)

Staff Recommendation: Award Contract No. CW-254, 26th Street/Folsom Street/Precita Avenue Sewer Replacement, in the amount of \$689,540 to Harty Pipelines.

18. Discussion and possible action related to Contract No. CW-273. (Quan)

Staff Recommendation: Award Contract No. CW-273, Greenwich Street Sewer Rehabilitation and Replacement, in the amount of \$488,329 to JMB Construction, Inc.

PROFESSIONAL SERVICE CONTRACTS

Advertise

19. Discussion and possible action related to Owner-Controlled Insurance Program for the Capital Improvement Program. (Okereke)

Staff Recommendation: Approve the revised Request for Proposal for Brokerage Services for an Owner-Controlled Insurance Program for the Capital Improvement Program; and authorize the Director of Finance to advertise and request proposals for SFPUC Agreement No. CS-674, Brokerage Services for an Owner-Controlled Insurance Program for the Capital Improvement Program.

CLOSED SESSION

20. Public comments on matters to be discussed in Closed Session.
21. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

22. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a): (Clayton)

Existing Litigation: Alfred Hamilton, Claim No. 00W6032-1/01-02412.

23. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(3)(A): (Furman)

Anticipated Litigation: As Defendant
Regarding Hetch Hetchy Water and Power Contract Disputes.

24. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager, Public Utilities

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

25. Announcement following Closed Session.
26. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

MINUTES

July 24, 2001
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Frank L. Cook
Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Steven D. Leonard
ACTING GENERAL MANAGER

Mary Y. Jung
SECRETARY



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ORDER OF BUSINESS:

1. Call to Order: 1:45 P.M.
2. Roll Call: Present - President Victor G. Makras, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook, Commissioner Ashok Bhatt
Excused - Vice President Ann Moller Caen

3. Approval of Minutes

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to adopt the Minutes of the May 8, 2001 Regular Meeting; passed (4-0) unanimously.

4. Communications

No action taken.

5. Old/Ongoing Business by Commissioners

Commissioner Normandy requested a report on the status of the vacancy on the Residential Users Appeals Board (RUAB). Marge Vizcarra, Customer Service Bureau Manager, reported that 200 notices were sent to gardeners within San Francisco and only one person showed possible interest. Notices were also sent to major organizations. Ms. Vizcarra stated that staff's next plan was to advertise it in local newspapers.

6. Introduction of New Business by Commissioners

There were none.

7. Report of the General Manager

Lawrence T. Klein, Acting General Manager of Public Utilities, requested that Item 14 be removed from the agenda.

- a) Sewer Service Charge to Single Resident Occupancy Hotels.

William Laws, Rate Administrator, reported that the Board of Supervisors did not pass the proposal to revise the Sewer Service Charge to Single Resident Occupancy Hotels. The Board was concerned about the possible revenue loss and fairness to other ratepayers.

b) Charter Amendments.

Ed Smeloff, Assistant General Manager for Power Policy, reported on the Monday, July 23rd Board of Supervisors' meeting. Of the two Charter amendments that would affect the SFPUC, only Supervisor Ammiano's proposal would be on the November 2001 ballot. If the proposed amendment passes with the voters, the new agency will go into effect May 1, 2002.

Mr. Smeloff also reported that the Board passed the Solar Bond Initiative for solar energy efficiency projects. It would also go on the November ballot.

8. Bay Area Water Users Association General Manager's Report

a) Next Steps.

Art Jensen, Bay Area Water Users Association (BAWUA) General Manager, advised that BAWUA member agencies approved the implementation of the SFPUC CIP but he wanted to bring the Commission's attention to four of his concerns: (1) consider the funding options he proposed; (2) make certain that resources are in place; (3) streamline the contracting process, and (4) work with agencies and communities the SFPUC serves for crisis management. President Makras asked to work towards a 72-hour plan.

Mr. Jensen introduced a list of guests who were present at today's meeting. They were: Redwood City Council Member, Jeff Ira; Redwood City Public Works Director, Peter Ingram; Menlo Park Mayor, Nicholas Jellins; Foster City Mayor, Marland Townsend; Foster City Public Works Director, John Lisenko; Daly City Assistant City Manager, Pat Martel; Daly City Water and Waste Water Director, Patrick Sweetland; San Mateo Building Trades Council Business Manager, Bill Nack; Silicon Valley Manufacturing Group Director of Environmental Programs, Margaret Bruce; Alameda County Water District President, Jim Gunther; Mid-Peninsula Water Users Director, Chuck Wagonseller; Sunnyvale Council Member, Tim Risch; Sunnyvale Field Services Superintendent Jim Craig; and Bay Area Water Users Association staff members Nicole Sandkulla and John Ummel.

9. Public Comments on matters not on today's agenda.

There were no public comments.

REGULAR BUSINESS

10. Discussion and possible action concerning the SFPUC Long Range Plans: Long Term Strategic Plan, the Capital Improvement Program, and the Long Range Financial Plan.

Staff Recommendation: Approve the proposed Long-Term Strategic Plan, 10-Year Capital Improvement Program, Long-Range Financial Plan, and proposed ballot measure recommendations as contained in the July 10, 2001, *Decision Document*.

At the beginning of the discussion, President Makras asked if there were members of the Task Force present and there was no response. It was noted that no one from the Task Force was present although they had been invited to attend today's Commission meeting.

President Makras stated that the Commission would have a full CIP document to pass at the next meeting. The Commission agreed that a CIP for Hetch Hetchy Water & Power (HHWP) was also necessary and asked Ed Smeloff to head this endeavor by using the February 28th document that outlined a possible framework. President Makras asked how long it would take to bring the Hetchy CIP back to Commission. Mr. Smeloff advised that he foresaw it being divided into two sections and that he could have a draft for the next Commission meeting.

Public Comments:

Art Jensen, General Manager, Bay Area Water Users Association, commented that the CIP Plan was a "tremendous step forward". With respect to the allocation of regional water system costs, he suggested that the assumptions be noted on the appropriate graphs and tables.

Nicholas Jellins, Mayor, City of Menlo Park, voiced his community's approval of the SFPUC CIP.

Marland Townsend, Mayor of Foster City, voiced the reliability concern stating that large companies in Foster City cannot afford to be without water for 30 or 60 days in case of catastrophe. He went further stating that for some of these companies, being without water could have national repercussions.

Sandy Eakins, Mayor of Palo Alto, voiced her community's approval of the SFPUC CIP and encouraged adoption of the plans.

Mr. Tim Risch, Council Member from Sunnyvale, urged the Commission to approve and implement the Long-Range Strategic Plan, the Capital Improvement Plan and the Long-Range Financial Plan. He stated that his City has a population of 137,000 and reliability was their main concern.

Mr. Jeff Ira, Council Member from Redwood City, stated that their Council and members of his community were willing to pay their fair share to improve the system.

Jim Gunther, President of the Board of Directors of the Alameda County Water District, commented in support of moving ahead with the CIP plans and starting it right now.

Mr. William Nack, representing the San Mateo County, Santa Clara County, and the San Francisco County Bay Area Building Trades Council, commented that their organization was prepared to pay their share of the cost of improvements. They were also supportive of staff's recommendation for an amendment to the City's current rate freeze and voter consideration of the first phase of improvements requiring more than \$2 billion in new revenue bonds. He urged that the Commission proceed without delay to fund and implement the improvements.

Margaret Bruce, Environmental Programs Director of the Silicon Valley Manufacturing Group, voiced her members' support in implementing the CIP.

Jim Mathias, Vice President for Public Affairs for the San Francisco Chamber of Commerce, said that the voters need more information and once they have the facts, they will support the CIP as well.

Commissioner Normandy had concerns relative to the list of projects presented in the Plan; some of which could be considered separate from the entire CIP, as they do not meet the risk and reliability criteria such as the Upgrade of 425 Mason Street Building and Lake Merced. He further stated that the Lake Merced Emergency Supply Improvement should stand with other Lake Merced projects.

Commissioner Normandy said that he wanted to focus on reliability and act as quickly as possible on the high-risk items. He said that the "Third Street Rail Project" is not necessary for reliability, it is not pressing, and he agreed to drop it as well from the CIP until the source of funds is known. Commissioner Normandy continued stating that "Program Management" and "Demolition of Unsafe Structures" should be tied to specific projects. Mr. Carlin noted that Program Management was not factored in all of the projects and was not part of the CIP as it is a part of the annual appropriation process within the budget process.

Commissioner Cook said he wants to go forward with a bond measure to cover the entire CIP budget for 10 years instead of 5 years at a time.

President Makras asked the Commission to agree and to support Commissioner Cook's plan, and the \$3.56 per year increase per ratepayer for 10 years or an equal amount, which may be higher at the start and lower at the end of the 10-year plan. He suggested that the SFPUC consider a rate stabilization fund or a Bill of Rights for ratepayers. He said that staff should explore various rate structures and have their findings available for the Board of Supervisors.

President Makras recommended deletion of the "Watershed Land Acquisition Project" from the Project Summary. He also recommended deletion of "Northwest Reservoir Needs Assessment". The Northwest Reservoir does not spend much money in the first 10 years but it contemplates a reservoir, the site of which had not been identified. President Makras also recommended taking out "Water Reclamation" as it did not appear essential in the 10-year plan.

President Makras stated that he wanted to do whatever it takes to remedy the problem at Lake Merced in order to gain the confidence of the voters and support the CIP.

Moved by President Makras, seconded by Commissioner Normandy, to continue Item 10 to the next regular Commission meeting scheduled for August 13, 2001; passed (4-0) unanimously.

At 4:22 P.M. the meeting was recessed.

At 4:35 P.M. the meeting reconvened.

11. Discussion concerning comparison of commercial paper and bond financing option. (Continued from the meeting of July 10, 2001.)

Staff Recommendation: For discussion only.

Moved by President Makras, seconded by Commissioner Cook to continue Item 11 to the call of the Chair; passed (4-0) unanimously.

12. Discussion and possible action related to a fund transfer for the Clean Water Enterprise.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0169: Authorize the General Manager of Public Utilities to request the Controller to transfer \$470,000 to cover the increased cost for water treatment chemicals.

13. Discussion and possible action related to the development of a power plant at the San Francisco International Airport.

Ed Smeloff, Assistant General Manager for Power Policy, reported that he had received 16 proposals from top-rate project developers. He requested the Commission's authorization to negotiate with one or two developers. A final proposal would be submitted for approval by the Commission.

Jackie Williams, a resident of South of San Francisco, commented that residents of South San Francisco and San Mateo have not been informed of this issue and that the City of South San Francisco was planning a power generator across the street from the SFO planned site.

Mr. Smeloff commented that none of the other projects meets the need that the SFPUC's project meets. He also stated that the proposed SFPUC power plant would be configured where it provides reliability to the Airport on a circuit separate from the circuit that provides electricity to San Francisco.

President Makras directed staff to keep the Commission updated on the progress of this project.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0170: Authorize the General Manager to proceed with negotiations with developers for the expedited development of a minimum 50-megawatt power plant proposed to be located at the San Francisco International Airport.

14. Discussion concerning the Retail Water Shortage Plan. (Continued from the meeting of July 10, 2001.)

Staff Recommendation: For discussion only.

Item 14 was continued to August 14, 2001.

LEASES AND PERMITS

15. Discussion and possible action related to a permit with the City of South San Francisco.

Moved by Commissioner Normandy, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0171: Authorize the General Manager of Public Utilities to execute a Revocable Permit with the City of South San Francisco for use of SFPUC land located on a portion of Parcel 5 of the former Muni right of way and a portion of Parcel 24 of San Mateo County lands in South San Francisco, California for use as temporary construction staging area and street widening.

CONSTRUCTION CONTRACTS

Award

Moved by Commissioner Cook, seconded by Commissioner Normandy to adopt Items No. 16, 17, and 18 together; passed (4-0) unanimously.

16. Resolution No. 01-0172: Award Contract No. WD-2339, Seismic Upgrade for Bay Division Pipelines Nos. 1 and 2 at Hayward Fault Crossing – Phase A, in the amount of \$3,753,473 to Mitchell Engineering.
17. Resolution No. 01-0173: Award Contract No. CW-254, 26th Street/Folsom Street/Precita Avenue Sewer Replacement, in the amount of \$689,540 to Harty Pipelines.
18. Resolution No. 01-0174: Award Contract No. CW-273, Greenwich Street Sewer Rehabilitation and Replacement, in the amount of \$488,329 to JMB Construction, Inc.

PROFESSIONAL SERVICE CONTRACTS

Advertise

19. Discussion and possible action related to Owner-Controlled Insurance Program (OCIP) for the Capital Improvement Program.

Lauren Ladd, representing Wrisc, Inc., suggested that an OCIP broker be selected concurrently with an OCIP pricing model. (The proposal as submitted by staff recommended selection of a single insurance broker who would procure the requisite insurance coverage.) She said that the concurrent selection method she was proposing narrows the field to two strongest competitors; it increases the market competition; and it expedites the process of putting the OCIP in place.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0175: Approve the revised Request for Proposal for Brokerage Services for an Owner-Controlled Insurance Program for the Capital Improvement Program; and authorize the Director of Finance to advertise and request proposals for SFPUC Agreement No. CS-674, Brokerage Services for an Owner-Controlled Insurance Program for the Capital Improvement Program.

CLOSED SESSION

President Makras moved, Commissioner Normandy seconded to continue the items listed under Closed Session (see below), to the next regular Commission meeting scheduled for August 14, 2001; passed (4-0) unanimously.

20. Public comments on matters to be discussed in Closed Session.

21. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

22. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a): (Clayton)

Existing Litigation: Alfred Hamilton, Claim No. 00W6032-1/01-02412.

23. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(3)(A): (Furman)

Anticipated As Defendant
Litigation: Regarding Hetch Hetchy Water and Power Contract Disputes.

24. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

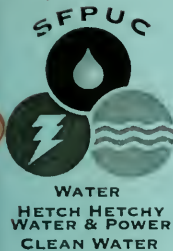
Position: General Manager, Public Utilities

25. Announcement following Closed Session.

26. Motion regarding whether to disclose the discussions during Closed Session.

Thereupon, the meeting was adjourned: 5:01 P.M.

Mary Y. Jung
Secretary



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

AGENDA

REGULAR MEETING

August 14, 2001
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Frank L. Cook
Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Steven D. Leonard
ACTING GENERAL MANAGER

Mary Y. Jung
SECRETARY



Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Mary Y. Jung at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Clerk, City Hall, Room 409, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-7724; Fax No.: (415) 554-7854; E-mail: Donna_Hall@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a) Personnel Changes. (Leonard)
 - b) San Francisco Water Alliance Monthly Report. (Kluesener)
 - c) Report on the \$140 Million Water Revenue Bond. 3 mins. (Berry)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

REGULAR BUSINESS

9. Discussion and possible action concerning the SFPUC Long Range Plans: Long Term Strategic Plan, the Capital Improvement Program, and the Long Range Financial Plan. (Continued from the meeting of July 24, 2001.) (Berry/Carlin)

Staff Recommendation: Approve the proposed Long-Term Strategic Plan, 10-Year Capital Improvement Program, Long-Range Financial Plan, and proposed ballot measure recommendations as contained in the July 10, 2001, *Decision Document*.

10. Discussion and possible action related to reallocation of State Revolving Fund proceeds. (Berry)

Staff Recommendation: Request the Board of Supervisors to authorize the use of \$20 million in State Revolving Fund proceeds to support the capital program of the Clean Water Enterprise rather than defease debt; and request the Board of Supervisors to authorize the reallocation of up to \$17 million in previously appropriated monies to fund the Third Street Sewer Relocation Project.

11. Discussion and possible action related to the development of a minimum 50-megawatt power plant at the San Francisco International Airport. (Smeloff)

Staff Recommendation: Authorize the General Manager to negotiate and execute a partnership agreement with ATCO Power Canada Ltd. For development and operation of a power plant at the San Francisco International Airport; direct the General Manager to seek approval from the Board of Supervisors for this agreement; and retroactively approve the ordinance introduced by President Ammiano requesting ratification of this expedited process and seeking approval of this agreement.

LEASES AND PERMITS

12. Discussion and possible action related to a lease with Duggan's Serra Mortuary. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a lease with Duggan's Serra Mortuary, for approximately 1.69 acres of SFPUC land, which includes a 8,000 square foot building located on a portion of Parcel 22 of San Mateo County lands and Parcel 52A of Sunset Supply Pipeline right of way, in South San Francisco, California to operate and maintain a mortuary.

13. Discussion and possible action related to a lease with the Salem Communications Corporation. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a lease with the Salem Communications Corporation of Camarillo, California, for approximately four acres of SFPUC land located on a portion of Parcel 46 of San Mateo County lands located in Menlo Park, California, to maintain a remote controlled transmitter station including appurtenant ground system, tower, transmitter building and access over City's 50-foot private roadway.

CONSTRUCTION CONTRACTS

Advertise

14. Discussion and possible action related to Contract No. WD-2370. (Quan)

Staff Recommendation: Approve the plans and specifications; and authorize advertisement for bids for Contract No. WD-2370, 36-Inch Sutro Pipeline from Central Pump Station to Dewey Boulevard/Laguna Honda Boulevard.

Award

15. Discussion and possible action related to Contract No. WD-2356. (Quan)

Staff Recommendation: Award Contract No. WD-2356, Harry Tracy Water Treatment Plant Re-Roofing, in the amount of \$243,023 to Pioneer Contractors, Inc.

16. Discussion and possible action related to Contract No. CW-247. (Quan)

Staff Recommendation: Award Contract No. CW-247, Fifth Street Sewer Rehabilitation, in the amount of \$721,320 to JMB Construction, Inc.

17. Discussion and possible action related to Contract No. CW-278. (Quan)

Staff Recommendation: Award Contract No. CW-278, Peters/Eugenia Avenues Sewer Replacement, in the amount of \$195,454 to J. Flores Construction Co., Inc.

Close

18. Discussion and possible action related to Contract No. WD-2262. (Quan)

Staff Recommendation: Accept work performed for Contract No. WD-2262, 6- and 8-Inch Ductile Iron Main Installation in Cesar Chavez Street from Noe Street to Mission Street, Shotwell Street to Harrison Street, and Day Street from Sanchez Street to Dolores Street; approve Modification No. 1 decreasing the contract by \$196,116 for a final contract amount of \$1,359,949; and authorize final payment of \$24,000 to Shaw Pipeline, Inc.

19. Discussion and possible action related to Contract No. CW-147. (Quan)

Staff Recommendation: Accept work performed for Contract No. CW-147, Various Pump Station Improvements Contract 2; approve Modification No. 1 increasing the contract by \$49,898 for a final contract amount of \$631,898 with time extension of 109 calendar days; and authorize final payment of \$51,023 and release of escrow retention of \$58,088 to Schram Construction, Inc.

PROFESSIONAL SERVICE CONTRACTS

Amend

20. Discussion and possible action related to the Program Management Services Agreement. (Quan)

Staff Recommendation: Approve renewal, for the second year, of the professional services agreement with the San Francisco Water Alliance to provide program management services for the SFPUC Capital Improvement Program, for an amount not to exceed \$14 million; authorize the SFPUC General Manager to execute the renewal after approval by the Board of Supervisors; authorize the General Manager to amend the contract to rescind the provisions requiring SFWA to pay for any taxes resulting from SFWA performing its duties in accordance with the agreement; and assign the responsibility of approving the SFWA invoices, reports, services, and staff additions/deletions to the Utilities Engineering Bureau Project Manager.

CLOSED SESSION

21. Public comments on matters to be discussed in Closed Session.
22. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

23. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a): (Clayton)

Existing Litigation: Alfred Hamilton, Claim No. 00 W 6032.

24. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a): (Clayton)

Existing Litigation: Willie Ng, Claim No. 00W6055-1/01-03899.

25. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Clayton)

Existing Litigation: Steven Buford v. City and County of San Francisco, et.al., San Francisco Superior Court Case No. 315555.

26. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Milstein)

Existing Litigation: California Trout v. City of San Francisco, et.al., Administrative Hearing and City of San Francisco v. Daly City, et.al.

27. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(3)(A):
(Furnan)

Anticipated Litigation: As Defendant
Regarding Hetch Hetchy Water and Power Contract Disputes.

28. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager, Public Utilities

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

29. Announcement following Closed Session.

30. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

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SAN FRANCISCO PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

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PUBLIC LIBRARY

Willie L. Brown, Jr.
MAYOR

MINUTES

August 14, 2001
1:30 P.M.

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

The Honorable Victor G. Makras, President
The Honorable Ann Moller Caen, Vice President
The Honorable E. Dennis Normandy
The Honorable Frank L. Cook
The Honorable Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Steven D. Leonard
ACTING GENERAL MANAGER

Mary Y. Jung
SECRETARY



ORDER OF BUSINESS:

1. Call to Order: 1:47 P.M.
2. Roll Call: Present - President Victor G. Makras, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook, Commissioner Ashok Bhatt

Excused - Vice President Ann Moller Caen

3. Approval of Minutes

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt the Minutes of the Regular Meeting of June 12, 2001 as amended; and the Minutes of the Special Meeting of June 29, 2001; passed (4-0) unanimously.

4. Communications

No action was taken.

5. Old/Ongoing Business by Commissioners

President Makras thanked SFPUC staff and the City Attorney's Office for their cooperation in expanding the definition of equal benefits to include all City employees regardless of their work location. The law originally provided equal benefits to those City employees who work and live in San Francisco.

Commissioner Normandy requested SFPUC staff and the City Attorney's Office to also look into securing medical benefits for Moccasin employees. Moccasin employees have not been able to secure medical service providers due to their location.

6. Introduction of New Business by Commissioners

There was no new business introduced.

7. Report of the General Manager

- a) Personnel Changes.

Steven D. Leonard, Acting General Manager of Public Utilities, announced the appointments of Lawrence T. Klein as Assistant General Manager for Operations, Therese Madden as Manager of Personnel & Training, and Karen Kubick as CIP Manager. Mr. Klein and Ms. Madden served in acting capacity prior to their appointments.

b) San Francisco Water Alliance (SFWA) Monthly Report.

John Kluesener, SFWA Program Director, covered the requirements set by the Board of Supervisors last year and summarized where the Alliance stood with short and long-term key performance measures. Mr. Kluesener stated that the SFWA met their key performance measures for the first year except for the cumulative MBE/WBE goals, where the target was 30% and they only met 26%. They met the 30% target for minority-owned business and 10% for women owned.

Mr. Kluesener noted that SFWA is formulating steps to achieve long-term key performance measures, one of which is working on achieving 10% program savings through various options such as optioneering, value engineering, completing projects on schedule, closing out 80% of projects more than six months old, getting cost estimates within 10% of the bids, and implementing training programs.

c) Report on the \$140 Million Water Revenue Bond.

William Berry, Assistant General Manager for Finance & Administration, reported that on July 25, 2001, SFPUC conducted a competitive sale of revenue bonds and received five bids. The lowest bid had 4.978% interest cost. Mr. Berry stated that staff would submit a report on the sale proceedings. He noted the need to start reissuing commercial paper in October or November 2001, or if the Commission decides not to continue, we would need to get started with a new bond issue.

President Makras expressed concerns that Commercial Paper would not be financially beneficial to the organization when interest rates go up.

Commissioner Normandy recommended deferring discussion on the matter until October when the Commission revisits the Commercial Paper Program and at that time the Commission can look at the pros and cons of continuing with the program.

d) West Side Energy Fair

Ed Smeloff, Assistant General Manager for Power Policy, reported on the Mayor's Energy Fair on the westside of San Francisco on August 11, 2001. Mr. Smeloff stated that the event drew more than 3,000 people. SFPUC gave out 2,000 compact fluorescent light bulbs, which were all donated by the San Francisco Neighbors Resource Center.

Mr. Smeloff commended Kim Knox, Water Conservation Administrator, for coordinating the event.

President Makras noted that he would like to see a larger outreach program. He also expressed support of SFPUC buying the light bulbs for these types of events that bring attention to the SFPUC in its proactive endeavors.

8. Public Comments on matters not on today's agenda.

There were none.

REGULAR BUSINESS

9. Discussion and possible action concerning the SFPUC Long Range Plans: Long Term Strategic Plan, the Capital Improvement Program, and the Long Range Financial Plan. (Continued from the meeting of July 24, 2001.)

Staff Recommendation: Approve the proposed Long-Term Strategic Plan, 10-Year Capital Improvement Program, Long-Range Financial Plan, and proposed ballot measure recommendations as contained in the July 10, 2001, *Decision Document*.

President Makras announced that in today's meeting, the Commission would hear the Hetch Hetchy Water & Power Capital Improvement Plan and postpone approval of the SFPUC Long Range Plan Decision Document. He outlined the process he would like to follow in moving the CIP forward.

President Makras requested that staff forward the Decision Document to the Mayor's Public Utilities Infrastructure Task Force with a direction to submit their recommendations to the Commission within 90 days (mid-November) after their presentations to communities in San Francisco. The task force will present the CIP plan to different supervisorial districts in San Francisco to collect public input.

President Makras stated that while he was aware that members of the Bay Area Water Users Association (BAWUA) are strongly supportive of the CIP, he asked that they also submit their input within the 90-day period.

President Makras also asked the San Francisco Water Alliance (SFWA) to look at the projects in the Capital Improvement Plan, refine the numbers, and submit their recommendations in mid-December 2001.

The other members of the Commission unanimously concurred with the process outlined by the President.

Commissioner Normandy pointed out that public comments had been solicited concerning the CIP, but the Commission extended the public process to discuss

Hetch Hetchy's CIP which is an important component of the SFPUC. He expressed concerns about the SFWA crunching numbers that may not apply because of new public input or changes in scope, definition and pricing by other parties. He also wanted to know how the extension of the process would affect the intent to put a bond measure in March 2002.

Ed Smeloff, Assistant General Manager for Power Policy, gave a power point presentation of Hetch Hetchy's Capital Improvement Plan and financial projections. Mr. Smeloff proposed 19 projects focused on improving equipment, turbines, generators, and penstocks, and replacing equipment breakers and transformers in Moccasin. The Plan also included projects in San Francisco such as energizing the 3rd Street Light Rail system, and providing a Utility Underground Program. The overall ten-year capital budget is \$84 million, which would be funded out of retained earnings. He noted that this projection does not include future energy efficiency and renewable energy programs worth \$15 million.

Mr. Smeloff stated that financial projections showed profitability for the Hetch Hetchy system beginning in the year 2003, and that by year 2010, the system would have accumulated \$500 million in retained earnings, assuming that the airport runway construction will begin in 2005, normal hydrological conditions, PG&E rates continue to be at a rate of \$123 megawatt hour, and wholesale electricity markets stabilized.

Strategic objectives recommended for Hetch Hetchy system were: (1) conduct a comprehensive review of San Francisco energy requirements; 2) develop strategic partnership with other public and power entities and private sectors; and (3) put in place an organizational structure that limit the risks to other SFPUC enterprises and increases self reliance in energy production.

The following individuals commented:

Art Jensen, General Manager of the Bay Area Water Users Association (BA WUA), opposed postponing the decision to approve the CIP stating that there had been sufficient public discussions on it and support has been received from government agencies, businesses, and union leaders. Mr. Jensen read comments from regional water users expressing support in adopting the Plan and urging the Commission to proceed without delay.

Patrick Sweetland, President, BAWUA Board of Directors, urged the Commission to specify a date as to when the Commission will act on the CIP regardless of actions of other parties.

Emeric Kalman commented that the Decision Document did not address underground water tables and planning costs for Lake Merced.

Commissioner Normandy inquired whether some amendments or decisions could be made before the 90-day timetable to speed up the process. President Makras noted that the information should be complete when the proposal is presented to the public.

President Makras directed staff to give periodical updates to the Commission.

No action was taken on Item 9.

10. Discussion and possible action related to reallocation of State Revolving Fund proceeds.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0176: Request the Board of Supervisors to authorize the use of \$20 million in State Revolving Fund proceeds to support the capital program of the Clean Water Enterprise rather than defease debt; and request the Board of Supervisors to authorize the reallocation of up to \$17 million in previously appropriated monies to fund the Third Street Sewer Relocation Project.

11. Discussion and possible action related to the development of a minimum 50-megawatt power plant at the San Francisco International Airport.

Mr. Smeloff reported that after a thorough evaluation process, ATCO Power of Canada was selected to be the City's partner in the development of a 50-megawatt peaking power plant at the San Francisco International Airport. ATCO proposed to contribute 100% of required capital of which the City has option to buy out 50%. ATCO also proposed a 9% return on equity, a rate considered very low in this business. The City has the opportunity to be 50% owner and the responsibility to manage the plant. The estimated project cost ranges from \$38 million to \$42 million, depending upon the final design.

President Makras asked about the possibility of adding in a nontransferable clause in the contract.

President Makras inquired on the possibility of obtaining a license to build and operate more than one power plant. Mr. Smeloff will do some research and return to the Commission at the next regular Commission meeting. Commissioner Normandy supported the proposal.

Commissioner Normandy suggested amending the last FURTHER RESOLVED clause where it says, *"The Commission retroactively approves the ordinance ..."*,

replacing the word "*approves*" to "*declares its support of*" so that it reads: "*The Commission declares its support of the ordinance.*"

Moved by Commissioner Normandy, seconded by Commissioner Bhatt to adopt the following resolution as amended; passed (4-0) unanimously.

Resolution No. 01-0177: Authorize the General Manager to negotiate and execute a joint development agreement with ATCO Power Canada Ltd. for the design, development, construction, ownership, and operation of a nominal 50-megawatt power plant at the San Francisco International Airport; direct the General Manager to seek approval from the Board of Supervisors for this agreement; and declare its support of the ordinance introduced by President Ammiano requesting ratification of this expedited process and seeking waivers and approvals of certain contracting provisions, and seeking approval of these principles and the agreement.

LEASES AND PERMITS

12. Discussion and possible action related to a lease with Duggan's Serra Mortuary.

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a lease with Duggan's Serra Mortuary, for approximately 1.69 acres of SFPUC land, which includes a 8,000 square foot building located on a portion of Parcel 22 of San Mateo County lands and Parcel 52A of Sunset Supply Pipeline right of way, in South San Francisco, California to operate and maintain a mortuary.

Don Duggan, representing Duggan's Serra Mortuary, commented in support of staff's recommendation.

President Makras recommended that the Commission reject staff's recommendation on the premise that there are other uses for the land that could pay the highest possible price. He directed staff to retain the current tenant on a month-to-month basis and explore the highest and best use of the land.

Commissioner Normandy suggested that the item be continued rather than rejected.

Moved by Commissioner Normandy, seconded by Commissioner Bhatt to continue Item 12 to the call of the Chair; passed (4-0) unanimously.

13. Discussion and possible action related to a lease with the Salem Communications Corporation.

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a lease with the Salem Communications Corporation of Camarillo, California, for approximately four acres of SFPUC land located on a portion of Parcel 46 of San Mateo County lands located in Menlo Park, California, to maintain a remote controlled transmitter station including appurtenant ground system, tower, transmitter building and access over City's 50-foot private roadway.

President Makras recommended rejecting staff's recommendation. He said the site was included in the CIP list for cleanup and the income does not outweigh the risk of entering into a long-term lease at this time. He recommended retaining the current tenant and increasing the rent on a month-to-month basis up to \$3,500 a month.

Moved by Commissioner Normandy, seconded by Commissioner Bhatt to continue Item 13 to the call of the Chair; passed (4-0) unanimously.

CONSTRUCTION CONTRACTS

Advertise

14. Discussion and possible action related to Contract No. WD-2370.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0178: Approve the plans and specifications; and authorize advertisement for bids for Contract No. WD-2370, 36-Inch Sutro Pipeline from Central Pump Station to Dewey Boulevard/Laguna Honda Boulevard.

Award

Moved by Commissioner Cook, seconded by Commissioner Normandy to adopt Items No. 15, 16, and 17 collectively; passed (4-0) unanimously.

15. Resolution No. 01-0179: Award Contract No. WD-2356, Harry Tracy Water Treatment Plant Re-Roofing, in the amount of \$243,023 to Pioneer Contractors, Inc.

16. Resolution No. 01-0180: Award Contract No. CW-247, Fifth Street Sewer Rehabilitation, in the amount of \$721,320 to JMB Construction, Inc.
17. Resolution No. 01-0181: Award Contract No. CW-278, Peters/Eugenia Avenues Sewer Replacement, in the amount of \$195,454 to J. Flores Construction Co., Inc.

Close

Moved by Commissioner Normandy, seconded by Commissioner Bhatt to adopt Items No. 18 and 19 collectively; passed (4-0) unanimously.

18. Resolution No. 01-0182: Accept work performed for Contract No. WD-2262, 6- and 8-Inch Ductile Iron Main Installation in Cesar Chavez Street from Noe Street to Mission Street, Shotwell Street to Harrison Street, and Day Street from Sanchez Street to Dolores Street; approve Modification No. 1 decreasing the contract by \$196,116 for a final contract amount of \$1,359,949; and authorize final payment of \$24,000 to Shaw Pipeline, Inc.
19. Resolution No. 01-0183: Accept work performed for Contract No. CW-147, Various Pump Station Improvements Contract 2; approve Modification No. 1 increasing the contract by \$49,898 for a final contract amount of \$631,898 with time extension of 109 calendar days; and authorize final payment of \$51,023 and release of escrow retention of \$58,088 to Schram Construction, Inc.

PROFESSIONAL SERVICE CONTRACTS

Amend

20. Discussion and possible action related to the Program Management Services Agreement.

Michael Quan, Utilities Engineering Bureau Manager, gave a presentation using electronic slides concerning the background, expectations, and performance of the San Francisco Water Alliance (SFWA) to date. Mr. Quan noted that SFWA had met their first year key performance measures and met and exceeded the requirements for task orders. Long-term key performance measures are currently a work in-progress.

Commissioner Bhatt was excused from 4:00 p.m. to 4:07 p.m.

Commissioner Normandy commented that he supports the renewal of the contract; however, he thought that the resolution should have included a report card on how the SFWA performed in the last year or whether they met all expectations. Other members of the Commission concurred.

Commissioner Normandy recommended adding another whereas clause to read: *"Whereas, The Commission agrees that the SFWA has met and exceeded the goals and performance criteria set for them for the year."*

President Makras directed staff to send a letter to the Board of Supervisors from the Commission and staff, addressing the concerns of the Board on the contract.

President Makras invited comments from the public. There were none.

Moved by Commissioner Normandy, seconded by Commissioner Bhatt to adopt the following resolution as amended; passed (4-0) unanimously.

Resolution No. 01-0184: Approve renewal, for the second year, of the professional services agreement with the San Francisco Water Alliance to provide program management services for the SFPUC Capital Improvement Program, for an amount not to exceed \$14 million; authorize the SFPUC General Manager to execute the renewal after approval by the Board of Supervisors; authorize the General Manager to amend the contract to rescind the provisions requiring SFWA to pay for any taxes resulting from SFWA performing its duties in accordance with the agreement; and assign the responsibility of approving the SFWA invoices, reports, services, and staff additions/deletions to the Utilities Engineering Bureau Project Manager.

CLOSED SESSION

21. Public comments on matters to be discussed in Closed Session.

There were none.

22. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission went into Closed Session at 4:17 P.M. and discussed the Closed Session agenda in the order listed below:

27. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(3)(A):

Anticipated Litigation: As Defendant
Regarding Hetch Hetchy Water and Power Contract Disputes.

Present were President Makras, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, Assistant General Manager for Power Policy Ed Smeloff, Deputy City Attorney Jonathan Lee, and Deputy City Attorney Donn Furman.

No action was taken.

23. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Alfred Hamilton, Claim No. 00 W 6032.

Present were President Makras, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, and Commission Secretary Mary Y. Jung.

Moved by President Makras, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0185: Recommend a settlement in the claim of Alfred Hamilton, Claim No. 00 W 6032.

24. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Willie Ng, Claim No. 00W6055-1/01-03899.

Present were President Makras, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, and Commission Secretary Mary Y. Jung.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0186: Recommend a settlement in the case of Willie Ng, Claim No. 00W6055-1/01-03899.

25. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Steven Buford v. City and County of San Francisco, et.al., San Francisco Superior Court Case No. 315555.

Present were President Makras, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, and Commission Secretary Mary Y. Jung.

Moved by President Makras, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0187: Recommend a settlement in the case of Steven Buford v. City and County of San Francisco, et.al., San Francisco Superior Court Case No. 315555.

26. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Present were President Makras, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, and Deputy City Attorney Joshua Milstein.

Existing Litigation: California Trout v. City of San Francisco, et.al., Administrative Hearing and City of San Francisco v. Daly City, et.al.

No action was taken.

28. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Present were President Makras, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, and Commission Secretary Mary Y. Jung.

Position: General Manager, Public Utilities

No action was taken.

Following the Closed Session, the Commission reconvened in open session at 4:50 P.M.

29. Announcement following Closed Session.

President Makras announced the actions taken during Closed Session.

30. Motion regarding whether to disclose the discussions during Closed Session.

Moved by President Makras, seconded by Commissioner Normandy, not to disclose the discussions during Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 4:52 P.M.

Mary Y. Jung
Secretary



San Francisco Public Utilities Commission
City and County of San Francisco

8/01

Willie L. Brown, Jr.
MAYOR

AGENDA

REGULAR MEETING

August 28, 2001
1:30 P.M.

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

Victor G. Makras, President
Ann Moller Caen, Vice President
E. Dennis Normandy
Frank L. Cook
Ashok Kumar Bhatt

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DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Steven D. Leonard
ACTING GENERAL MANAGER

Mary Y. Jung
SECRETARY



Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Mary Y. Jung at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Clerk, City Hall, Room 409, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-7724; Fax No.: (415) 554-7854; E-mail: Donna_Hall@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a) Power Plants and Energy Commission Process. (Smeloff)
 - b) Lombard Reservoir, Clarendon Pump Station Dedication, and CIP Manager Briefing. (Kubick)
 - c) East Bay Regional Parks Swim Dam Removal on Alameda Creek. (Naras)
 - d) Update on Fire Damage. (Park)
8. Bay Area Water Users Association (BAWUA) General Manager's Report.
 - a) Suburban Washing Machine Rebate Program. (Nicole Sandkulla)
9. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

REGULAR BUSINESS

10. Discussion and possible action related to Contract No. CW-305E. (Quan)

Staff Recommendation: Request the Board of Supervisors to approve expenditure of funds in the amount of \$272,846 for Contract CW-305E, Tennessee/Cesar Chavez Streets Emergency Sewer Construction.

11. Discussion and possible action related to loans and grants from the California Energy Commission. (Jurosek)

Staff Recommendation: Authorize the General Manager of Public Utilities to accept and expend \$1,411,402 in low interest loans and grants from the California Energy Commission to support peak load reduction projects for General Hospital and other City facilities.

12. Discussion and possible action related to the Baker Street Pump Station. (Williams)

Staff Recommendation: Declare the intent of the SFPUC to abandon use of the Baker Street Pump Station and dedicate the facility as the SFPUC Learning Center; and direct staff to return to the Commission within 90 days with a proposed program for the new SFPUC Learning Center.

LEASES AND PERMITS

13. Discussion and possible action related to a lease with MetroPCS California/Florida, Inc. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a lease with MetroPCS California/Florida, Inc. to use approximately 200 square feet of rooftop space at the Dryer Building, Southeast Treatment Plant, 1700 Jerrold Avenue in San Francisco, CA, to install and maintain an unmanned cellular communications site.

14. Discussion and possible action related to ownership of the Balboa Reservoir. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to prepare and execute, on behalf of the City and County of San Francisco, a Memorandum of Understanding (MOU) with City College of San Francisco regarding ownership of the Balboa Reservoir, located north of Ocean Avenue and west of Phelan Avenue in San Francisco, California, and the proposed uses, development funding and implementation schedule.

CONSTRUCTION CONTRACTS

Award

15. Discussion and possible action related to Contract No. 204-R. (Quan)

Staff Recommendation: Award Contract No. CW-204R, Southeast Water Pollution Control Plant – Building 062 Improvements, in the amount of \$998,317 to Millard Tong Construction.

Close

16. Discussion and possible action related to Contract No. CW-240. (Quan)

Staff Recommendation: Accept work performed for Contract No. CW-240, Bertita/ Russia/South Hill/Stillings Sewer Replacement, approve Modification No. 1 increasing the contract by \$42,600.50; extend contract duration by 23 calendar days; and authorize final payment of \$98,503 to Harty Pipelines, Inc.

CLOSED SESSION

17. Public comments on matters to be discussed in Closed Session.
18. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

19. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Balboa Reservoir
Parties Negotiating: CCSF – Dowd/Kubick
Under Negotiation: MOU

20. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Furman)

Existing Litigation: City and County of San Francisco v. Turlock Irrigation District, San Francisco Superior Court No. 323717.

21. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Furman)

Existing Litigation: City and County of San Francisco v. Modesto Irrigation District, San Francisco Superior Court No. 323848.

22. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager, Public Utilities

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

23. Announcement following Closed Session.

24. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

MINUTES

August 28, 2001
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

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COMMISSIONERS

The Honorable Victor G. Makras, President
The Honorable Ann Moller Caen, Vice President
The Honorable E. Dennis Normandy
The Honorable Frank L. Cook
The Honorable Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Steven D. Leonard
ACTING GENERAL MANAGER

Mary Y. Jung
SECRETARY



ORDER OF BUSINESS:

1. Call to Order: 1:40 P.M.
2. Roll Call: Present - President Victor G. Makras, Vice President Ann Moller Caen, Commissioner E. Dennis Normandy, Commissioner Frank L. Cook, Commissioner Ashok Bhatt

The Commission took the agenda out of order and discussed the Closed Session agenda first.

CLOSED SESSION

17. Public comments on matters to be discussed in Closed Session.

There were none.

18. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (5-0) unanimously.

The Public Utilities Commission went into Closed Session at 1:43 P.M. to discuss the following matters. The items were discussed in the order listed below.

20. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: City and County of San Francisco v. Turlock Irrigation District, San Francisco Superior Court No. 323717.

Present were President Makras, Vice President Caen, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, and Assistant General Manager for Power Policy Ed Smeloff.

No action was taken.

21. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: City and County of San Francisco v. Modesto Irrigation District, San Francisco Superior Court No. 323848.

Present were President Makras, Vice President Caen, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, and Assistant General Manager for Power Policy Ed Smeloff.

No action was taken.

19. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Balboa Reservoir
Parties Negotiating: CCSF – Dowd/Kubick
Under Negotiation: MOU

Present were President Makras, Vice President Caen, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, Assistant General Manager for Power Policy Ed Smeloff, Bureau of Commercial Land Management Manager Gary Dowd, City Distribution Division Manager Tony Flores, and Project Manager Karen Kubick.

No action was taken.

22. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager, Public Utilities

Present were President Makras, Vice President Caen, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, and Assistant General Manager for Power Policy Ed Smeloff.

No action was taken.

Following the Closed Session, the Commission reconvened in open session at 2:38 P.M.

23. Announcement following Closed Session.

President Makras announced that no action was taken during Closed Session.

Regarding Item 22, President Makras noted that the Commission would submit to the Mayor an additional candidate for the position of SFPUC General Manager.

The Commission instructed staff to put the recommendation in writing and forward it to the Mayor for his consideration.

President Makras announced that today would be his last Commission meeting as he had accepted another appointment by the Mayor within the City & County of San Francisco. He acknowledged SFPUC managers and staff, Virginia Harmon and the Human Rights Commission, Ed Lee and the Department of Public Works, and Louise Renne and Vicki Clayton of the City Attorney's Office, who from his tenure as Commissioner worked cooperatively with him and the Commission to pursue the goals of the Commission

24. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, not to disclose the discussions during Closed Session; passed (5-0) unanimously.

3. Approval of Minutes

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to adopt the Minutes of the Regular Meeting of June 26, 2001; passed (5-0) unanimously.

4. Communications

Commissioner Normandy complimented Laurie Park, Acting General Manager of Hetch Hetchy Water & Power, for the very enlightening memo concerning the effects of rolling blackouts to the SFPUC system.

Commissioner Normandy complimented staff for the report on the Sunol Valley Water Treatment Plant Improvement Project, which had excellent format, organization, conciseness, readability, typeface, and page layout. He recommended that the report be disseminated to staff and used as a model for other reports that come to the Commission.

5. Old/Ongoing Business by Commissioners

Commissioner Normandy requested that the Communications Action Plan be calendared for the September 11th Commission meeting.

Commissioner Caen reminded staff that an update on Lake Merced was due to the Commission.

Bruce Lymburn, Bernal Property Consultant Team, presented a plaque to each Commissioner from San Francisco Business Times for "Year 2000 Real Estate Deal of the Year Award". The SFPUC received the award for the successful sale of the Bernal property.

6. Introduction of New Business by Commissioners

Each Commissioner expressed their thanks to President Victor Makras for all that he contributed to the Commission and the entire SFPUC.

President Makras directed staff to calendar an agenda item requesting issuance of a Request for Proposal for Real Estate Negotiators.

President Makras directed staff to write a letter to BAWUA and each member agency soliciting their support and recommendations relative to the Capital Improvement Plan by passing a resolution expressing their support.

7. Report of the General Manager

a) Power Plants and Energy Commission Process.

Ed Smeloff, Assistant General Manager for Power Policy, spoke to a previous inquiry of the Commission at the last Commission meeting to look at the opportunity of multiple power plants at the Airport. Mr. Smeloff stated that he contacted the California Consumer Power and Conservation Financing Authority and they had indicated a strong interest in the development of several peaking power plants. He sent a letter to the Power Authority indicating the City's interest in working with their agency to look at this opportunity. Mr. Smeloff talked about the benefits of multiple power plants in providing reliable service within the mid-peninsula area and providing alternative transmission pathways into San Francisco.

b) Lombard Reservoir, Clarendon Pump Station Dedication, and CIP Manager Briefing.

Lombard Reservoir

Karen Kubick of the Utilities Engineering Bureau gave a presentation concerning structural damages found on Lombard Reservoir using electronic slides. She showed photos of the damages found on the reservoir. She reported that the water level is being dropped to take the reservoir out of service.

She stated that due to the age of the reservoir (built in 1860) and possible additional damages, they were recommending that the reservoir be rebuilt and expanded to 500 million gallon storage and 300 foot elevation. This project was originally included in the CIP as a planned repair and is now being recommended as a capital project for immediate replacement.

Mr. Leonard stressed the need for a sound and dependable reservoir on the north side of the City as soon as possible due to uncertainty of the condition of the other reservoirs owned by the SFPUC.

The Commission unanimously agreed in pursuing a larger reservoir to have the increased capacity.

Commissioner Bhatt requested staff to provide a report on the condition of all SFPUC reservoirs.

Clarendon Pump Station

Ms. Kubick reported that the SFPUC hosted a dedication ceremony for the completion of the Clarendon Pump Station on August 23, 2001. The event was attended by City officials, SFPUC staff, and members of the community. Among those who attended were Mayor Willie Brown, Supervisor Tony Hall, President of the Public Utilities Commission Victor Makras, Vice President Ann Moller Caen, and Rich Bodisco of the Mayor's Infrastructure Task Force.

CIP Briefing

Ms. Kubick gave a presentation concerning her roles as CIP Manager and major tasks she is faced with as CIP Manager involving setting up the organization, hiring support staff, and establishing partnerships with the Mayor's Infrastructure Task Force, BAWUA, the public, special interest groups, neighborhood groups, San Francisco Water Alliance and regulatory agencies.

c) East Bay Regional Parks Swim Dam Removal on Alameda Creek.

Mr. Joe Naras, SFPUC Land Resource Manager, reported on the East Bay Regional Park District's Dam Busting ceremony held on August 17, 2001. The event memorialized the removal of two swim dams that were known to be fish passage barriers and were being removed to provide for the restoration of the steelhead trout on Alameda Creek. Mr. Naras showed photos taken during the event.

d) Update on Fire Damage.

Laurie Park, Acting General Manager of Hetch Hetchy Water & Power, reported on the creek fire that started Saturday, August 18, 2001 near Coulterville, Mariposa County which is about nine miles away from Moccasin. Ms. Park showed pictures of the fire and maps of damaged areas. Ten thousand five hundred acres of Moccasin Watershed burned which may cause problems this winter. Hetch Hetchy staff is working with

the Bureau of Land Management and Water Quality to work out a plan to build channels to divert water during the rainy season to prevent water pouring down into the reservoir.

Ms. Park commended staff for their remarkable efforts in trying to protect the reservoir and the City's water supply.

- e) New appointments.

Mr. Leonard announced the appointment of Beverly Hennessey to the position of Government & Public Affairs Manager.

8. Bay Area Water Users Association (BAWUA) General Manager's Report.

- a) Suburban Washing Machine Rebate Program.

Ms. Nicole Sandkulla, representing the Bay Area Water Users Association, read a statement by Arthur Jensen, BAWUA's General Manager, concerning President Makras' desire to receive support for the CIP in the form of resolutions from each of the 29 BAWUA member agencies. Mr. Jensen, in his statement, urged the Commission to put this request in writing. He also requested that the Commission provide a written plan for interim financing of critical improvements.

On the first issue, President Makras responded that the General Manager had been directed to write the request. On the second issue, he directed staff to prepare a letter to Art Jensen addressing his concerns about additional funding for critical improvements.

Ms. Sandkulla gave a presentation concerning BAWUA's new Suburban Washing Machine Program, one of the first programs implemented as part of the Local Resources Management Plan. The program, scheduled to kick-off on October 1, 2001, is offering a \$75 rebate for purchase of water efficient washing machines. Twenty-four suburban agencies have signed up for the program; twelve of which have been offering the program to their customers.

9. Public Comments

Emeric Kalman inquired whether the Lombard Reservoir Repair/Replacement was defined in the latest CIP. He commented that while pictures of the condition of the reservoir was informative; he would like to see additional technical information.

REGULAR BUSINESS

10. Discussion and possible action related to Contract No. CW-305E.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (5-0) unanimously.

Resolution No. 01-0188: Request the Board of Supervisors to approve expenditure of funds in the amount of \$272,846 for Contract CW-305E, Tennessee/Cesar Chavez Streets Emergency Sewer Construction.

11. Discussion and possible action related to loans and grants from the California Energy Commission.

Moved by Commissioner Bhatt, seconded by Commissioner Normandy to adopt the following resolution; passed (5-0) unanimously.

Resolution No. 01-0189: Authorize the General Manager of Public Utilities to accept and expend \$1,411,402 in low interest loans and grants from the California Energy Commission to support peak load reduction projects for General Hospital and other City facilities.

12. Discussion and possible action related to the Baker Street Pump Station.

Mary Williams, Project Manager, gave a presentation using electronic slides. Ms. Williams indicated that the agenda item proposes a new use for the Baker Street Pump Station, a PUC Learning Center to provide wastewater and water education, to talk about pollution prevention and water and energy conservation, and to serve as a resource for the community.

Commissioner Normandy proposed amending the resolution so that where it says "Learning Center" we change it to say "Learning and Archival Center" and that the facility be called the "Herb Caen Learning Center".

Commissioner Caen recused herself from the discussion.

Emeric Kalman urged the Commission to consult with the neighborhood, the Recreation & Park Department, and other interested parties regarding uses of the facility before taking any action.

President Makras noted that the Commission is sensitive to the concerns brought up by the speaker. The resolution included and balanced out any competing interests.

Commissioner Normandy suggested amending the last resolved clause, "*The SFPUC Learning Archival Center shall be named in honor of the columnist Herb Caen for ...*" instead of the word "*for*", it should read "*in recognition of his substantial contribution to the history of San Francisco, and by extension, the San Francisco Public Utilities Commission through his writings*"; and delete the phrase that follows "*San Francisco and of the SFPUC facilities and operations*".

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt the following resolution as amended; passed (4-0). Vice President Caen recused.

Resolution No. 01-0190: Declare the use of all or a portion of the Baker Street Pump Station property as a learning and archival center, subject to all appropriate environmental and planning reviews; direct staff to return to the Commission within 90 days with a proposed program for the new SFPUC learning and archival center; and that the SFPUC learning and archival center shall be named in honor of the columnist Herb Caen in recognition of his substantial contribution to the history of San Francisco and by extension, the San Francisco Public Utilities Commission, through his writings; and that the center shall be named "The Herb Caen Learning Center".

LEASES AND PERMITS

13. Discussion and possible action related to a lease with MetroPCS California/Florida, Inc.

President Makras suggested that if it is not in the lease agreement, verbiage should be included that the tenant is responsible for any damages to the roof.

Emeric Kalman asked whether solar installations installed on the roof would be a better use rather than leasing it to a third party. Commissioner Normandy responded that there is no space on the roof at this point to even consider solar panel installation given that there are antennas already placed on the roof. Mr. Dowd concurred and urged that the Commission approve the item.

Moved by Commissioner Normandy, seconded by Commissioner Bhatt to adopt the following resolution; passed (5-0) unanimously.

Resolution No. 01-0191: Authorize the General Manager of Public Utilities to execute a lease with MetroPCS California/Florida, Inc. to use approximately 200 square feet of rooftop space at the Dryer Building, Southeast Treatment Plant, 1700 Jerrold Avenue in San Francisco, CA, to install and maintain an unmanned cellular communications site.

14. Discussion and possible action related to ownership of the Balboa Reservoir.

Commissioner Normandy suggested adding a provision in the resolution whereby the SFPUC would still be entitled to rents from the California Bookstore until such time that the reservoir is put into service.

Moved by Commissioner Normandy, seconded by Commissioner Caen to adopt the following resolution as amended; passed (5-0) unanimously.

Resolution No. 01-0192: Authorize the General Manager of Public Utilities to execute a Memorandum of Understanding between the SFPUC and City College to accommodate a property exchange to facilitate a new reservoir configuration, subject to approval of the Board of Supervisors and the Mayor.

CONSTRUCTION CONTRACTS

Award

15. Discussion and possible action related to Contract No. 204-R.

Mr. Dale Manwiller of Schram Construction, Inc., commented in opposition to staff's recommendation of awarding the contract to Millard Tong Construction. Schram filed a protest on the ground that the low bidder did not list a coating subcontractor that the bid document required.

Mr. Quan noted that the protest submitted by Schram Construction was reviewed by the City Attorney's Office and they found no problems with procedural process followed by the lowest bidder in subcontracting the special application coating work. Wendy Iwata from Utilities Engineering Bureau Contracts Section answered more questions concerning the process.

Moved by Commissioner Caen, seconded by Commissioner Cook to adopt the following resolution; passed (5-0) unanimously.

Resolution No. 01-0193: Award Contract No. CW-204R, Southeast Water Pollution Control Plant – Building 062 Improvements, in the amount of \$998,317 to Millard Tong Construction.

Close

16. Discussion and possible action related to Contract No. CW-240.

Moved by Commissioner Caen, seconded by Commissioner Cook to adopt the following resolution; passed (5-0) unanimously.

Resolution No. 01-0194: Accept work performed for Contract No. CW-240, Bertita/ Russia/South Hill/Stillings Sewer Replacement, approve Modification No. 1 increasing the contract by \$42,600.50; extend contract duration by 23 calendar days; and authorize final payment of \$98,503 to Harty Pipelines, Inc.

Thereupon, the meeting was adjourned: 4:40 P.M.

Mary Y. Jung
Secretary



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

AGENDA

REGULAR MEETING

September 11, 2001
1:30 P.M.

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

Ann Moller Caen, President
E. Dennis Normandy
Frank L. Cook
Ashok Kumar Bhatt

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Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

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Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Steven D. Leonard
ACTING GENERAL MANAGER

Mary Y. Jung
SECRETARY



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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Clerk, City Hall, Room 409, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-7724; Fax No.: (415) 554-7854; E-mail: Donna_Hall@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

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ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a) San Francisco Water Alliance Monthly Report. (Kluesener)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

REGULAR BUSINESS

9. Discussion and possible action related to Sutter Street Emergency Sewer Replacement. (Quan)

Staff Recommendation: Ratify the Declaration of Emergency made by the General Manager of Public Utilities for Contract No. CW-309E, Sutter Street Emergency Sewer Replacement; and approve expenditure of \$223,905.

10. Quarterly update on the progress on the implementation of the Lake Merced Comprehensive Management Plan (Revised Draft, April 1998) (Lake Merced CMP). (Carlin)

Staff Recommendation: For information only.

LEASES AND PERMITS

11. Discussion and possible action related to a permit with YMCA of San Francisco. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a permit with YMCA of San Francisco-Stonestown Branch, for the use of a portion of Parcel 56 of San Francisco lands (aka Merced Manor Reservoir) in San Francisco, for conducting a youth soccer program.

12. Discussion and possible action related to a lease with Bayshore Holdings. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a lease with Bayshore Holdings for the use of approximately 3,500 square feet of land owned by SFPUC, located along a portion of the sewer box right-of-way, north of Napoleon, east of Jerrold Street in San Francisco, at an annual rental rate of \$10,080.

CONSTRUCTION CONTRACTS

Award

13. Discussion and possible action related to Contract No. WD-2323. (Quan)

Staff Recommendation: Award Contract No. WD-2323, Meter and Valve Testing/Calibration Facility and Associated Improvements, in the amount of \$1,640,500 to Millard Tong Construction; and reallocate \$700,500 from “CDD Yard, Emergency Power Upgrade Project” to “Meter and Valve Testing/Calibration Facility and Associated Improvements Project”.

Close

14. Discussion and possible action related to Contract No. WD-2240. (Quan)

Staff Recommendation: Accept work performed for Contract No. WD-2240, 8-Inch Ductile Iron Main Installation on Golden Gate Avenue from Van Ness Avenue to Divisadero Street; approve Modification No. 3 increasing the contract by \$3,075 and extending the time of completion by 63 calendar days; and authorize final payment of \$24,000 to JMB Construction, Inc.

15. Discussion and possible action related to Contract No. CW-253. (Quan)

Staff Recommendation: Accept work performed for Contract No. CW-253, Oceanside Water Pollution Control Plant Digester Complex and Gas Holder Coating Rehabilitation; approve final modification increasing the contract by \$4,331 and extending time of completion by 40 calendar days; and authorize final payment of \$37,688 to Jeffco Painting and Coating, Inc.

16. Discussion and possible action related to Contract No. CW-262. (Quan)

Staff Recommendation: Accept work performed for Contract No. CW-262, Southeast Water Pollution Control Plant Roofing Project – Buildings 800, 900, and 940; approve Modification No. 1 increasing the contract by \$9,879 and extending the time of completion by 10 days; and authorize final payment of \$34,985 to Pioneer Contractors, Inc.

PROFESSIONAL SERVICE CONTRACTS

Advertise

17. Discussion and possible action related to a Request for Proposal for Environmental Consulting Services. (Medbery)

Staff Recommendation: Authorize the Manager of the Bureau of Environmental Regulation and Management to advertise a Request for Proposals to establish a pool of qualified environmental consulting firms to provide the required environmental evaluation documents for the proposed capital improvement projects, for a term of three years and a spending cap of \$4,000,000.

18. Discussion and possible action related to a Request for Proposal for Real Estate and Land Use Negotiation Services. (Dowd)

Staff Recommendation: Authorize the Director of the Bureau of Commercial Land Management to advertise and request proposals for the services of a real estate and land use negotiator.

CLOSED SESSION

19. Public comments on matters to be discussed in Closed Session.
20. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

21. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a): (Furman)

Existing Litigation: City and County of San Francisco v. Turlock Irrigation District, San Francisco Superior Court No. 323717.

22. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Furman)

Existing Litigation: City and County of San Francisco v. Modesto Irrigation District, San Francisco Superior Court No. 323848.

23. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Milstein/Lee)

Existing Litigation: California Trout v. CCSF, etal, Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-127.

24. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(c):
(Clayton/DeGraca)

Anticipated Litigation: As Plaintiff
Regarding Water Supply and Treatment Permit Disputes.

25. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager, Public Utilities

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

26. Announcement following Closed Session.

27. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

9/11/01 SFPUC Commission Agenda



Location:

http://www.sfwater.org/detail.cfm/MC_ID/5/MSD_ID/19/MTO_ID/8/C_ID/140

NOTICE OF CANCELLATION

The Regular Meeting of the San Francisco Public Utilities Commission scheduled for Tuesday, September 11, 2001 had been cancelled.

Mary Y. Jung

Secretary

To learn more see the following Organizations:

- Commission

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San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

AGENDA

REGULAR MEETING

September 25, 2001
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

Ann Moller Caen, President
E. Dennis Normandy
Frank L. Cook
Ashok Kumar Bhatt

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ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Announcement by President Ann Moller Caen
4. Election of Officers
5. Approval of Minutes
6. Communications
7. Old/Ongoing Business by Commissioners
8. Introduction of New Business by Commissioners
9. Report of the General Manager
 - a) Security Measures at SFPUC facilities instituted following the East Coast Terrorist actions. (Leonard)
 - b) San Francisco Water Alliance Monthly Report. (Kluesener)
 - c) Airport Power Plant. 5 mins. (Smeloff)
 - d) East Bay Regional Park District. 5 mins. (Naras)
10. Bay Area Water Users Association (BAWUA) General Manager's Report
 - a) Current Status of CIP. (Jensen)

11. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

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REGULAR BUSINESS

12. Discussion and possible action related to Sutter Street Emergency Sewer Replacement. (Quan)

Staff Recommendation: Ratify the Declaration of Emergency made by the General Manager of Public Utilities for Contract No. CW-309E, Sutter Street Emergency Sewer Replacement; and approve expenditure of \$223,905.

13. Quarterly update on the progress on the implementation of the Lake Merced Comprehensive Management Plan (Revised Draft, April 1998) (Lake Merced CMP). (Carlin)

Staff Recommendation: For information only.

LEASES AND PERMITS

14. Discussion and possible action related to a permit with YMCA of San Francisco. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a permit with YMCA of San Francisco-Stonestown Branch, for the use of a portion of Parcel 56 of San Francisco lands (aka Merced Manor Reservoir) in San Francisco, for conducting a youth soccer program.

15. Discussion and possible action related to a lease with Bayshore Holdings. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a lease with Bayshore Holdings for the use of approximately 3,500 square feet of land owned by SFPUC, located along a portion of the sewer box right-of-way, north of Napoleon, east of Jerrold Street in San Francisco, at an annual rental rate of \$10,080.

CONSTRUCTION CONTRACTS

Advertise

16. Discussion and possible action related to Contract No. HH-900. (Quan)

Staff Recommendation: Approve the plans and specifications; and authorize the Utilities Engineering Bureau Manager to advertise for bids for Contract No. HH-900, San Joaquin Pipeline River Discharge.

Award

17. Discussion and possible action related to Contract No. WD-2323. (Quan)

Staff Recommendation: Award Contract No. WD-2323, Meter and Valve Testing/Calibration Facility and Associated Improvements, in the amount of \$1,640,500 to Millard Tong Construction; and reallocate \$700,500 from "CDD Yard, Emergency Power Upgrade Project" to "Meter and Valve Testing/Calibration Facility and Associated Improvements Project".

Close

18. Discussion and possible action related to Contract No. WD-2240. (Quan)

Staff Recommendation: Accept work performed for Contract No. WD-2240, 8-Inch Ductile Iron Main Installation on Golden Gate Avenue from Van Ness Avenue to Divisadero Street; approve Modification No. 3 increasing the contract by \$3,075 and extending the time of completion by 63 calendar days; and authorize final payment of \$24,000 to JMB Construction, Inc.

19. Discussion and possible action related to Contract No. CW-253. (Quan)

Staff Recommendation: Accept work performed for Contract No. CW-253, Oceanside Water Pollution Control Plant Digester Complex and Gas Holder Coating Rehabilitation; approve final modification increasing the contract by \$4,331 and extending time of completion by 40 calendar days; and authorize final payment of \$37,688 to Jeffco Painting and Coating, Inc.

20. Discussion and possible action related to Contract No. CW-262. (Quan)

Staff Recommendation: Accept work performed for Contract No. CW-262, Southeast Water Pollution Control Plant Roofing Project – Buildings 800, 900, and 940; approve Modification No. 1 increasing the contract by \$9,879 and extending the time of completion by 10 days; and authorize final payment of \$34,985 to Pioneer Contractors, Inc.

PROFESSIONAL SERVICE CONTRACTS

Advertise

21. Discussion and possible action related to a Request for Proposal for Environmental Consulting Services. (Medbery)

Staff Recommendation: Authorize the Manager of the Bureau of Environmental Regulation and Management to advertise a Request for Proposals to establish a pool of qualified environmental consulting firms to provide the required environmental evaluation documents for the proposed capital improvement projects, for a term of three years and a spending cap of \$4,000,000.

22. Discussion and possible action related to a Request for Proposal for Real Estate and Land Use Negotiation Services. (Dowd)

Staff Recommendation: Authorize the Director of the Bureau of Commercial Land Management to advertise and request proposals for the services of a real estate and land use negotiator.

CLOSED SESSION

23. Public comments on matters to be discussed in Closed Session.
24. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

25. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
Existing Litigation: PG&E, Case No. 00W0101-1/01-02611.
26. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Furman)
Existing Litigation: City and County of San Francisco v. Turlock Irrigation District, San Francisco Superior Court No. 323717.
27. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Furman)
Existing Litigation: City and County of San Francisco v. Modesto Irrigation District, San Francisco Superior Court No. 323848.
28. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Milstein/Lee)
Existing Litigation: California Trout v. CCSF, et.al., Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-127.
29. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(c):
(Clayton/Roddy/DeGraca)
Anticipated Litigation: As Plaintiff
Regarding Water Supply and Treatment Permit Disputes.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

30. Announcement following Closed Session.

31. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

MINUTES

September 25, 2001
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

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PUBLIC LIBRARY

COMMISSIONERS

The Honorable Ann Moller Caen, President
The Honorable E. Dennis Normandy, Vice President
The Honorable Frank L. Cook
The Honorable Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Steven D. Leonard
ACTING GENERAL MANAGER

Mary Y. Jung
SECRETARY



ORDER OF BUSINESS:

1. Call to Order: 1:35 P.M.
2. Roll Call: Present - President Ann Moller Caen, Vice President E. Dennis Normandy, Commissioner Frank L. Cook, Commissioner Ashok Bhatt

The Commission took the agenda out of order to discuss the Closed Session items first.

CLOSED SESSION

23. Public comments on matters to be discussed in Closed Session.

There were no comments from the public.

24. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission went into Closed Session at 1:40 P.M. to discuss the following matters:

25. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: PG&E, Case No. 00W0101-1/01-02611.

Present were President Caen, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, City Attorney Louise Renne, Assistant General Manager for Operations Lawrence T. Klein, Assistant General Manager for Power Policy Ed Smeloff, and Deputy City Attorney Donn Furman.

Moved by Commissioner Bhatt, seconded by Commissioner Normandy to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0206: Recommend a settlement in the case of PG&E, Case No. 00W0101-1/01-02611.

26. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: City and County of San Francisco v. Turlock Irrigation District, San Francisco Superior Court No. 323717.

Present were President Caen, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, City Attorney Louise Renne, Assistant General Manager for Operations Lawrence T. Klein, Assistant General Manager for Power Policy Ed Smeloff, and Deputy City Attorney Donn Furman.

No action was taken.

27. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a)

Existing Litigation: City and County of San Francisco v. Modesto Irrigation District, San Francisco Superior Court No. 323848.

Present were President Caen, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, City Attorney Louise Renne, Assistant General Manager for Operations Lawrence T. Klein, Assistant General Manager for Power Policy Ed Smeloff, and Deputy City Attorney Donn Furman.

No action was taken.

28. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: California Trout v. CCSF, et.al., Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-127.

Present were President Caen, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, Deputy City Attorney Joshua Milstein, and SFPUC Water Purification Engineer Joan Ryan.

No action was taken.

29. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(c):

Anticipated Litigation: As Plaintiff
Regarding Water Supply and Treatment Permit Disputes.

Present were President Caen, Commissioner Normandy, Commissioner Cook, Commissioner Bhatt, Acting PUC General Manager Steven D. Leonard, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, Deputy City Attorney John Roddy, and Water Quality Bureau Manager Andrew DeGraca.

No action was taken.

The Commission recessed at 2:55 P.M.

The Commission reconvened in open session at 3:01 P.M.

30. Announcement following Closed Session.

President Caen announced the actions taken during Closed Session.

31. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook, not to disclose the discussions during Closed Session; passed (4-0) unanimously.

President Caen called for a moment of silence to commemorate the victims of the terrorist attack on September 11, 2001.

President Caen deferred discussion of Item 3 until later in the meeting.

4. Election of Officers

Commissioner Cook nominated Commissioner E. Dennis Normandy for Vice President. There were no other nominations. Commissioner Bhatt seconded. The Commission unanimously elected Commissioner Normandy for Vice President.

5. Approval of Minutes

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt the Minutes of the Regular Meeting of July 10, 2001, and the Minutes of the Regular Meeting of July 24, 2001 as amended; passed (4-0) unanimously.

6. Communications

No action was taken.

7. Old/Ongoing Business by Commissioners

There was no discussion regarding old/ongoing business.

8. Introduction of New Business by Commissioners

There was no new business introduced.

9. Report of the General Manager

- a) Security Measures at SFPUC facilities instituted following the East Coast Terrorist actions.

Steven D. Leonard, Acting General Manager of Public Utilities, gave a brief overview of SFPUC's activities following the September 11th terrorist attack. Mr. Leonard stated that staff's primary response to the incident was heightening security at SFPUC facilities.

He mentioned that an "After Action Report" required of all departments by the Fire Chief and the Mayor was prepared and copies were distributed to the Commission. The report chronicled the activities of the SFPUC during the heightened alert and laid out the events that took place and the improvements needed.

Mr. Leonard said that, last week, he met with the Mayor and members of the Board of Supervisors regarding security measures. The Board and the Mayor were comfortable with the measures taken and proposed actions.

Mr. Leonard stated that staff is beginning to look at long-term efforts to make permanent improvements on security in the areas of personnel and facilities, and how those improvements could be funded given that some of those safety precautions bring added costs.

He thanked Lawrence T. Klein, Assistant General Manager for Operations, and John Rodgers, SFPUC Emergency Planning Coordinator, for their assistance during the past two weeks.

President Caen commended Mr. Leonard for an excellent job.

Commissioner Normandy suggested that as staff further develop a security plan that they focus on the following four priorities: (1) protection of SFPUC employees; (2) protection of SFPUC facilities and water quality; (3) speedy communications to staff, higher authorities, the public and the

media; and (4) identification of staff at every facility and having an account of who is on the premises.

3. Announcement by President Ann Moller Caen

President Caen acknowledged the presence of the Mayor of San Francisco, Willie Brown.

Mayor Brown commented that he had searched the nation to fill the position of the General Manager of the San Francisco Public Utilities Commission, and he found Patricia Martel, who, he said, was the most appropriate and suited for the challenges of the department. He asked that the Commission endorse his recommendation.

The following individuals commented in support of Ms. Martel's appointment: President of San Francisco Chamber of Commerce Lee Blicht; Bay Area Water Users Association General Manager Art Jensen; SFPUC Acting General Manager Steven D. Leonard; Mayor's Office of Community Development Director Pam David; Police Commissioner Victor G. Makras; San Francisco Employees' Retirement System Executive Director Clare Murphy; San Francisco Employees Retirement System Board Member Joseph Driscoll; former Board President and current Vice President of San Francisco Gay Pride Parade and Celebration and Board President of San Francisco Lesbian and Gay International Film Festival, Calvin Gipson; San Francisco City Controller Ed Harrington; SFPUC Assistant General Manager for Power Policy Ed Smeloff; and San Francisco Labor Council Director of Labor- Neighbor Program Rich Waller.

Patrick Hanna, from the Neighborhood Parks Council, and Jerry Cadagan, from the Committee to Save Lake Merced, neither supported nor opposed Ms. Martel's appointment. They expressed concerns about the deterioration of Lake Merced and possible conflict of interest since Ms. Martel was previously employed by the City of Daly City and that may cause potential delay in resolving Lake Merced issues.

President Caen introduced Patricia E. Martel, who was in the audience.

Commissioner Normandy proposed a unanimous endorsement of the Mayor's nomination of Ms. Martel as the General Manager of Public Utilities Commission. The Commission unanimously agreed.

9. General Manager's Report

b) San Francisco Water Alliance Monthly Report.

John Kluesener, San Francisco Water Alliance Program Director, gave his September monthly report using overhead slides. Mr. Kluesener talked

about the status of projects under the 1997 Prop A & B bonds and current finances. As of August 2001, \$60 million out of the \$157 million budget had been spent. SFWA is working on accelerating completion of these projects.

As far as CIP responsibilities, he recommended defining the roles and responsibilities between the CIP Manager and the Utilities Engineering Bureau Manager. He expressed support in allocating a budget for the CIP Manager, assigning staff to manage project controls, optioneering, and contract administration, establishing CIP procedures, and co-locating CIP staff which are currently housed in various locations.

c) Airport Power Plant.

Ed Smeloff, Assistant General Manager for Power Policy, reported on staff's efforts to build additional power plants at the San Francisco Airport. Mr. Smeloff noted that a developer was willing to submit a proposal on a contingent basis to design and build a power plant with the State of California. The proposal is 1/3 below the cost of the original proposal. The cost is less due to the lower interest financing from the State of California and the low-cost technology proposed. The proposal was a core plant configuration of 114- megawatt electricity production compared to the 50 megawatt originally envisioned. SFPUC would be responsible for taking half (57-megawatt) of the output of the power plant and would have complete control over scheduling of the power plant;. The other half would be owned by the State of California and delivered to the State Department of Water Resources to augment their needs. Mr. Smeloff stated that this would be the lowest cost project in the state.

Mr. Smeloff will provide a detailed report on the cost once negotiation develops. He said the estimated timeframe to bring the plant on line is June 2002 when demand in California is at its peak.

Commissioner Normandy suggested that in light of the ongoing heightened security requirements, security measures should be factored into the design and cost of the plant.

d) East Bay Regional Park District (EBRPD).

Joseph Naras, Land and Resources Manager, gave his report using electronic slides. Mr. Naras talked about the cooperative relationship between the SFPUC and EBPRD in jointly managing water resources, and protecting water quality, wildlife and fisheries on SFPUC lands. The EBRPD leases 3,700 acres of SFPUC land in Alameda County. The lease is due for renewal and would be brought to the Commission for consideration in the near future.

10. Bay Area Water Users Association (BAWUA) General Manager's Report

a) Current Status of CIP.

Art Jensen, General Manager of the Bay Area Water Users Association (BAWUA), advised that he recently met with Mayor Brown concerning the Capital Improvement Plan. In that meeting, it was agreed that the Mayor's financial staff and BAWUA's staff will meet to discuss financial obstacles and the possibility of moving ahead with regional system projects and dealing with San Francisco issues separately. The Mayor also encouraged BAWUA agencies to meet with the Mayor's Infrastructure Task Force, which they have scheduled this Friday to address the significance of work on the regional system. Mr. Jensen stated that the Mayor also suggested working together with SFPUC in securing outside, State, and federal funds.

Mr. Jensen expressed support in assigning equal roles and responsibilities to the CIP Manager and UEB Manager.

With regard to the SFWA contract, Mr. Jensen stated that their agency was not concerned with which firm provides assistance for the CIP, but they would be concerned about further delay on the CIP if the contract was terminated.

11. Public Comments on matters not on today's agenda.

Dick Morten suggested the need to consider a backup resource; e.g., west side basin aquifer and secure emergency pumps, that could tie in with the water distribution system in the event that Hetch Hetchy water is contaminated. He also suggested considering a tertiary water treatment plant.

Commissioner Normandy suggested including the need for redundancy and backup water supply as a fifth priority in developing a security plan.

John Plummer from Friends of Lake Merced provided a copy of his comments. He commented in support of a west side basin aquifer and preservation of Lake Merced.

REGULAR BUSINESS

12. Discussion and possible action related to Sutter Street Emergency Sewer Replacement.

Moved by Commissioner Cook, seconded by Commissioner Normandy to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0195: Ratify the Declaration of Emergency made by the General Manager of Public Utilities for Contract No. CW-309E, Sutter Street Emergency Sewer Replacement; and approve expenditure of \$223,905.

13. Quarterly update on the progress on the implementation of the Lake Merced Comprehensive Management Plan (Revised Draft, April 1998) (Lake Merced CMP).

Michael Carlin, Bureau of Systems Planning Manager, commented that SFPUC staff had been in voluntary mediation with the City of Daly City and the Olympic Club regarding damages to roadway and other issues surrounding Lake Merced. He had nothing further to report since the result of their discussions during mediation cannot be disclosed.

Mr. Carlin noted that SFPUC and City Attorney's staff were working on developing three term sheets for: (1) groundwater management and conjunctive use to manage surface and groundwater supplies and protect the lake; (2) recycled water within the Westside basin; and (3) storm water and storm water issues involving City of Daly City, an unincorporated part of San Mateo County, San Francisco and diversion of stormwater into Lake Merced. These terms sheets would be brought forward for approval of the Commission. With regard to stormwater, the SFPUC, together with the City of Daly City and County of San Mateo, are moving ahead with a pilot project to divert stormwater into Lake Merced and they are currently reviewing a conceptual engineering report.

Commissioner Normandy suggested that staff provide a monthly report concerning Lake Merced issues.

Don Plummer, Friends of Lake Merced, commented that each year they conduct a survey concerning implementation of action items in the Comprehensive Plan and they have received no response from SFPUC. Mr. Plummer gave the Commission copies of the survey conducted last year. He requested that the Commission reassess the status of the action items and approve the Comprehensive Management Plan.

Dick Allen, Golden Gate Heights Neighborhood Association, commented that pumping water out of aquifer reduces the water level at Lake Merced. He said no well drilling should be allowed without first conforming to the requirements of the California Environmental Quality Act. He further commented about the sewer pipes at the south end of the lake and asked whether there is a backup plan if the lake becomes contaminated with raw sewage, in the event those pipes fracture during an earthquake.

Jerry Cadagan expressed appreciation for a regular monthly report by staff.

Commissioner Normandy stated that he would like Steve Leonard to take the lead on Lake Merced issues.

Staff Recommendation: For information only.

13.b. Discussion and possible action concerning a commendation for Victor G. Makras.

Each Commissioner expressed their thanks to former Commissioner Victor G. Makras for his dedication and contribution to the SFPUC and the City and County of San Francisco.

The following resolution was adopted by acclamation.

Resolution No. 01-0196: Adopt a resolution commending Victor Makras, past President of the San Francisco Public Utilities Commission.

LEASES AND PERMITS

14. Discussion and possible action related to a permit with YMCA of San Francisco.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0197: Authorize the General Manager of Public Utilities to execute a permit with YMCA of San Francisco-Stonestown Branch, for the use of a portion of Parcel 56 of San Francisco lands (aka Merced Manor Reservoir) in San Francisco, for conducting a youth soccer program.

15. Discussion and possible action related to a lease with Bayshore Holdings.

Moved by Commissioner Normandy, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0198: Authorize the General Manager of Public Utilities to execute a lease with Bayshore Holdings for the use of approximately 3,500 square feet of land owned by SFPUC, located along a portion of the sewer box right-of-way, north of Napoleon, east of Jerrold Street in San Francisco, at an annual rental rate of \$10,080.

CONSTRUCTION CONTRACTS

Advertise

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt Items No. 16, 17, 18, 19, and 20 collectively; passed (4-0) unanimously.

16. Resolution No. 01-0199: Approve the plans and specifications; and authorize the Utilities Engineering Bureau Manager to advertise for bids for Contract No. HH-900, San Joaquin Pipeline River Discharge.
17. Resolution No. 01-0200: Award Contract No. WD-2323, Meter and Valve Testing/Calibration Facility and Associated Improvements, in the amount of \$1,640,500 to Millard Tong Construction; and reallocate \$700,500 from "CDD Yard, Emergency Power Upgrade Project" to "Meter and Valve Testing/Calibration Facility and Associated Improvements Project".
18. Resolution No. 01-0201: Accept work performed for Contract No. WD-2240, 8-Inch Ductile Iron Main Installation on Golden Gate Avenue from Van Ness Avenue to Divisadero Street; approve Modification No. 3 increasing the contract by \$3,075 and extending the time of completion by 63 calendar days; and authorize final payment of \$24,000 to JMB Construction, Inc.
19. Resolution No. 01-0202: Accept work performed for Contract No. CW-253, Oceanside Water Pollution Control Plant Digester Complex and Gas Holder Coating Rehabilitation; approve final modification increasing the contract by \$4,331 and extending time of completion by 40 calendar days; and authorize final payment of \$37,688 to Jeffco Painting and Coating, Inc.
20. Resolution No. 01-0203: Accept work performed for Contract No. CW-262, Southeast Water Pollution Control Plant Roofing Project – Buildings 800, 900, and 940; approve Modification No. 1 increasing the contract by \$9,879 and extending the time of completion by 10 days; and authorize final payment of \$34,985 to Pioneer Contractors, Inc.

PROFESSIONAL SERVICE CONTRACTS

Advertise

21. Discussion and possible action related to a Request for Proposal for Environmental Consulting Services.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0204: Authorize the Manager of the Bureau of Environmental Regulation and Management to advertise a Request for Proposals to establish a pool of qualified environmental consulting firms to provide the required environmental evaluation documents for the proposed capital improvement projects, for a term of three years and a spending cap of \$4,000,000.

22. Discussion and possible action related to a Request for Proposal for Real Estate and Land Use Negotiation Services.

Commissioner Cook inquired on the need for an outside consultant. Gary Dowd, Manager of the Bureau of Commercial Land Management, responded that the outside consultant will assist the Bureau in continuing to implement aggressive land use policies, helping sell surplus properties, and analyzing properties that may have potential for leasing. He further stated that certain special projects require full-time analysis and commitment and beyond the Bureau's typical daily responsibilities and expertise.

Commissioner Cook stated that he would support the item provided that staff identify the extent of need for outside help and identify the properties anticipated to be surplus to the SFPUC.

Moved by Commissioner Normandy, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0205: Authorize the Director of the Bureau of Commercial Land Management to advertise and request proposals for the services of a real estate and land use negotiator.

Thereupon, the meeting was adjourned: 4:56 P.M.

Mary Y. Jung
Secretary



SAN FRANCISCO Public Utilities Commission

10/02/01 SFPUC Commission Agenda

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

AGENDA Special Meeting

October 2, 2001
12:00 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

Ann Moller Caen, President
E. Dennis Normandy, Vice President
Frank L. Cook
Ashok Kumar Bhatt

DEPARTMENTS

Water Department
 City Distribution Division
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Hetch Hetchy Water & Power
Clean Water Program
 Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
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Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Patricia E. Martel
GENERAL MANAGER

Mary Y. Jung
SECRETARY

Agenda and other information are available on the SFPUC web site: www.sfwater.org and the

City web site at www.ci.sf.ca.us

Disability Access

For information contact the Commission Secretary at 554-3165

Agenda and other information are available on the SFPUC web site: www.ci.sf.ca.us/puc

The Public Utilities Commission meeting will be held in Room 408, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Mary Y. Jung at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Clerk, City Hall, Room 409, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-7724; Fax No.: (415) 554-7854; E-mail: Donna_Hall@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

Call to Order

Roll Call

3. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

CLOSED SESSION

4. Public comments on matters to be discussed in Closed Session.

5. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

6. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9
(a): (Furman)

Existing Litigation: City and County of San Francisco v. Turlock Irrigation District,
San Francisco Superior Court No. 323717.

7. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9
(a): (Furman)

Existing Litigation: City and County of San Francisco v. Modesto Irrigation District,
San Francisco Superior Court No. 323848.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

8. Announcement following Closed Session.

9. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

City and County of San Francisco
Public Utilities Commission
1155 Market Street, 4th Floor
San Francisco, CA 94103

Location:

http://sfwater.org/detail.cfm/MC_ID/5/MSD_ID/19/MTO_ID/57/C_ID/135

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SAN FRANCISCO PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

MINUTES

October 2, 2001
12:00 P.M.

City Hall, Room 408
1 Dr. Carlton B. Goodlett Place

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PUBLIC LIBRARY

COMMISSIONERS

The Honorable Ann Moller Caen, President
The Honorable E. Dennis Normandy, Vice President
The Honorable Frank L. Cook
The Honorable Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Patricia E. Martel
GENERAL MANAGER

Mary Y. Jung
SECRETARY



ORDER OF BUSINESS:

1. Call to Order: 12:07 P.M.
2. Roll Call: Present - President Ann Moller Caen, Commissioner Frank L. Cook, Commissioner Ashok Bhatt
Excused - Vice President E. Dennis Normandy

3. Public Comments on matter not on today's agenda.

There were no public comments.

CLOSED SESSION

4. Public comments on matters to be discussed in Closed Session.

There were no public comments received.

5. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to assert the attorney-client privilege; passed (3-0) unanimously.

The Public Utilities Commission went into Closed Session at 12:13 P.M. to discuss the following matters:

6. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: City and County of San Francisco v. Turlock Irrigation District, San Francisco Superior Court No. 323717.

Present were President Caen, Commissioner Cook, Commissioner Bhatt, PUC General Manager Patricia E. Martel, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, City Attorney Louise Renne, Deputy City Attorney Donn Furman, Skadden Arps Consultants - Les Goldman, June Broadstone, and Bob Logan, Assistant General Manager for Operations Lawrence T. Klein, Assistant General Manager for Power Policy Ed Smeloff, and Assistant General Manager Steven D. Leonard.

No action was taken.

7. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: City and County of San Francisco v. Modesto Irrigation District, San Francisco Superior Court No. 323848.

Present were President Caen, Commissioner Cook, Commissioner Bhatt, PUC General Manager Patricia E. Martel, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, City Attorney Louise Renne, Deputy City Attorney Donn Furman, Skadden Arps Consultants - Les Goldman, June Broadstone, and Bob Logan, Assistant General Manager for Operations Lawrence T. Klein, Assistant General Manager for Power Policy Ed Smeloff, and Assistant General Manager Steven D. Leonard.

No action was taken.

Following the Closed Session, the Commission reconvened in open session at 1:02 P.M.

8. Announcement following Closed Session.

President Caen announced that no action was taken during Closed Session.

9. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, not to disclose the discussions during Closed Session; passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 1:04 P.M.

Mary Y. Jung
Secretary



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

AGENDA

REGULAR MEETING

October 9, 2001
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

DOCUMENTS DEPT.

OCT - 4 2001

COMMISSIONERS

SAN FRANCISCO
PUBLIC LIBRARY

Ann Moller Caen, President
E. Dennis Normandy, Vice President
Frank L. Cook
Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Patricia E. Martel
GENERAL MANAGER

Mary Y. Jung
SECRETARY



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ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a) Update on Calaveras Dam. (Davis)
 - b) San Francisco Water Alliance Monthly Report. (Kluesener)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

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LEASES AND PERMITS

9. Discussion and possible action related to Chevron Pipeline lease. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a lease with Chevron Pipeline Company, for a 20-foot right of way which crosses SFPUC land located on a portion of Parcel 65 of Alameda County lands, in Sunol, California, for maintaining, operating, and repairing a pipeline for the transportation of oil, gas, and petroleum products, at an annual rental rate of \$10,000.

CONSTRUCTION CONTRACTS

Advertise

10. Discussion and possible action related to Contract No. HH-887. (Quan)

Staff Recommendation: Approve the plans and specifications, and authorize the Utilities Engineering Bureau Manager to advertise for bids for Contract No. HH-887, Moccasin Domestic Water Improvements.

Award

11. Discussion and possible action related to Contract No. WD-2340. (Quan)

Staff Recommendation: Award Contract No. WD-2340, Recoating of Bay Division Pipe Line Nos. 1 and 2 in the vicinity of Irvington Pump Station, in the amount of \$446,750 to Certified Coatings of California.

12. Discussion and possible action related to Contract No. CW-286. (Quan)

Staff Recommendation: Award Contract No. CW-286, 2nd/7th Avenues Sewer Replacement, in the amount of \$280,950 to Harty Pipelines, Inc.

Close

13. Discussion and possible action related to Contract No. CW-234. (Quan)

Staff Recommendation: Accept work performed for Contract No. CW-234, Third Street Sewer System Improvements Phase III; and authorize final payment of \$36,994 to Harty Pipelines, Inc.

PROFESSIONAL SERVICE CONTRACTS

Amend

14. Discussion and possible action related to a professional service agreement with Newcomb Anderson Associates. (Weiner)

Staff Recommendation: Authorize the General Manager of Public Utilities to modify the as-needed energy engineering services agreement with Newcomb Anderson Associates increasing the contract amount from \$306,700 to \$760,000.

15. Discussion and possible action related to a professional service agreement with Brown, Vence and Associates. (Weiner)

Staff Recommendation: Authorize the General Manager of Public Utilities to modify the as-needed energy engineering services agreement with Brown, Vence and Associates increasing the contract amount from \$306,700 to \$760,000.

CLOSED SESSION

16. Public comments on matters to be discussed in Closed Session.
17. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

18. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Furman)

Existing Litigation: City and County of San Francisco v. Turlock Irrigation District, San Francisco Superior Court No. 323717.

19. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Furman)

Existing Litigation: City and County of San Francisco v. Modesto Irrigation District, San Francisco Superior Court No. 323848.

20. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Milstein/Lee)

Existing Litigation: California Trout v. CCSF, et.al., Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-~~2~~27.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

21. Announcement following Closed Session.

22. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

MINUTES

October 9, 2001
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

DOCUMENTS DEPT

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COMMISSIONERS

SAN FRANCISCO
PUBLIC LIBRARY

The Honorable Ann Moller Caen, President
The Honorable E. Dennis Normandy, Vice President
The Honorable Frank L. Cook
The Honorable Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Patricia E. Martel
GENERAL MANAGER

Mary Y. Jung
SECRETARY



ORDER OF BUSINESS:

1. Call to Order: 1:37 P.M.
2. Roll Call: Present - President Ann Moller Caen, Commissioner Frank L. Cook, Commissioner Ashok Bhatt

Vice President E. Dennis Normandy arrived at 1:40 P.M.

3. Approval of Minutes

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to adopt the Minutes of the Regular Meeting of August 28, 2001; passed (3-0) unanimously.

4. Communications

No action was taken.

5. Old/Ongoing Business by Commissioners

President Caen requested the Commission to review the Old/Ongoing Business list to see which items needed updating. Commissioner Cook stated that he would like a status on those items dealing with real estate issues.

President Caen thanked Steve Leonard for stepping in as Acting General Manager for Public Utilities. Commissioner Bhatt echoed President Caen's gratitude to Mr. Leonard.

President Caen asked whether the construction of the Sunol Valley Water Treatment Plant Improvement Project was on schedule. Michael Quan, Utilities Engineering Bureau Manager, responded that the project is on schedule and is due for completion in December 2002.

6. Introduction of New Business by Commissioners

There was no new business introduced.

7. Report of the General Manager

- a) Update on Calaveras Dam.

Cheryl Davis, Water Supply & Treatment Division Manager, gave a presentation using electronic slides. She reported that the Department of Dam Safety raised concerns about the reliability of the Calaveras Dam. Their concerns were based on three factors that: (1) the method of

construction used when the dam was built was unreliable; (2) the failure that occurred during construction and whether the dam was re-constructed according to original design; and (3) changing seismic standards.

Ms. Davis reported that her staff is working cooperatively with the Utilities Engineering Bureau, the Department of Dam Safety, and seismic experts in conducting analysis and test borings to determine the reliability of the dam. She stated that if the dam fails when it is at full capacity, it could cause potential flood risk. The water reservoir is now at 50% normal and staff is bringing it down at 35% of normal capacity.

Ms. Davis pointed out that the catastrophic failure of the dam renders serious concerns for water supply, water quality, and environmental issues, and fixing it and maintaining water supply and water quality reliability during the interim period would result in substantial expenses.

At 2:00 P.M., there was a public announcement to evacuate City Hall.

The meeting adjourned and was continued to a special meeting on Monday, October 15, 2001 at 10:30 A.M. in Room 408, City Hall.

Mary Y. Jung
Secretary



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

AGENDA

SPECIAL MEETING
October 15, 2001
10:30 A.M.

City Hall, Room 408
1 Dr. Carlton B. Goodlett Place

RESCHEDULED MEETING FROM
October 9, 2001

COMMISSIONERS

Ann Moller Caen, President
E. Dennis Normandy, Vice President
Frank L. Cook
Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Patricia E. Martel
GENERAL MANAGER

Mary Y. Jung
SECRETARY



CANCELLED

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PUBLIC LIBRARY

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LEASES AND PERMITS

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CONSTRUCTION CONTRACTS

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10. Discussion and possible action related to Contract No. HH-887. (Quan)

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16. Public comments on matters to be discussed in Closed Session.
17. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

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FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL
RECONVENE IN PUBLIC SESSION.

21. Announcement following Closed Session.

22. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

AGENDA

SPECIAL MEETING

**October 22, 2001
9:00 A.M.**

**City Hall, Room 400
1 Dr. Carlton B. Goodlett Place**

COMMISSIONERS

The Honorable Ann Moller Caen, President
The Honorable E. Dennis Normandy, Vice President
The Honorable Frank L. Cook
The Honorable Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
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Patricia E. Martel
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ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
 - a) Minutes of September 25, 2001 Regular Meeting
 - b) Minutes of October 2, 2001 Special Meeting
 - c) Minutes of October 9, 2001 Regular Meeting
4. Communications
5. Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a) San Francisco Water Alliance Monthly Report. (Continued from the meeting of October 15, 2001.) (Kluesener)
 - b) Report on the Sustainability Fair. (Smeloff)
 - c) Update on Maxwell Energy Plan. (Smeloff)
8. BAWUA General Manager's Report
 - a) Moving Forward with the Capital Improvement Program. (Jensen)
9. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

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REGULAR BUSINESS

10. Discussion concerning Commercial Paper Program and Financing Schedule. (Okereke)

Staff Recommendation: For information only.

LEASES AND PERMITS

11. Discussion and possible action related to Chevron Pipeline lease. (Continued from the meeting of October 15, 2001.) (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a lease with Chevron Pipeline Company, for a 20-foot right of way which crosses SFPUC land located on a portion of Parcel 65 of Alameda County lands, in Sunol, California, for maintaining, operating, and repairing a pipeline for the transportation of oil, gas, and petroleum products, at an annual rental rate of \$10,000.

12. Discussion and possible action related to Imhof Tractor Service, Inc. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a lease with Imhof Tractor Service, Inc. for approximately 125 acres of SFPUC lands located on Parcel LA8.1 of Alameda County lands in Sunol, California, for grazing and dry farming, at an annual rental rate of \$1,679.

13. Discussion and possible action related to a lease with Steven Gonsalves. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a lease with Steven Gonsalves for approximately 74 acres of SFPUC land located on Parcels LA8.2 and LA8.3 of Alameda County lands in Sunol, California, for grazing purposes, at an annual rental rate of \$1,095.

14. Discussion and possible action related to a lease with Harold and Caryl Lepelley. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a lease with Harold and Caryl Lepelley for the use of approximately 1,360 square feet of SFPUC land located on Bay Division Pipeline 1 & 2, Parcels 2067, 2066(2) in Redwood City, California, for parking purposes, at an annual rental rate of \$1,468.80.

15. Discussion and possible action related to a lease with Moseley Trust. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a lease with Moseley Trust for approximately 4,200 square feet of SFPUC land located on a portion of Parcel 2129 of Bay Division Pipeline Nos. 1 and 2 right of way in Redwood City, California for a driveway, landscaping, and patio, at an annual rental rate of \$1,212.

CONSTRUCTION CONTRACTS

Advertise

16. Discussion and possible action related to Contract No. HH-887. (Continued from the meeting of October 15, 2001.) (Quan)

Staff Recommendation: Approve the plans and specifications, and authorize the Utilities Engineering Bureau Manager to advertise for bids for Contract No. HH-887, Moccasin Domestic Water Improvements.

17. Discussion and possible action related to Contract No. WD-2371. (Quan)

Staff Recommendation: Approve the plans and specifications, and authorize the Utilities Engineering Bureau to advertise for bid for Contract No. WD-2371, Hetch Hetchy Water Treatment Project-Pulgas Dechloramination Facility.

18. Discussion and possible action related to Contract No. WD-2375. (Quan)

Staff Recommendation: Approve the plans and specifications, and authorize the Utilities Engineering Bureau to advertise for bid for Contract No. WD-2375, Seismic Improvements at Millbrae Yard and Harry Tracy Water Treatment Plant.

19. Discussion and possible action related to Contract No. CW-295. (Quan)

Staff Recommendation: Approve the plans and specifications, and authorize the Utilities Engineering Bureau to advertise for bid for Contract No. CW-295, Clay and Sacramento Streets Sewer Rehabilitation.

Award

20. Discussion and possible action related to Contract No. WD-2340. (Continued from the meeting of October 15, 2001.) (Quan)

Staff Recommendation: Award Contract No. WD-2340, Recoating of Bay Division Pipe Line Nos. 1 and 2 in the vicinity of Irvington Pump Station, in the amount of \$446,750 to Certified Coatings of California.

21. Discussion and possible action related to Contract No. WD-2352. (Quan)

Staff Recommendation: Award Contract No. WD-2352, 4-, 6- & 8-Inch Ductile Iron Main Installation in Stevenson Street from 5th Street to 7th Street; in Jessie Street from 1st Street to 3rd Street; and in Anthony Street from Mission Street to Jessie Street, in the amount of \$606,653 to J. Flores Construction.

22. Discussion and possible action related to Contract No. CW-286. (Continued from the meeting of October 15, 2001.) (Quan)

Staff Recommendation: Award Contract No. CW-286, 2nd/7th Avenues Sewer Replacement, in the amount of \$280,950 to Harty Pipelines, Inc.

Close

23. Discussion and possible action related to Contract No. CW-234. (Continued from the meeting of October 15, 2001.) (Quan)

Staff Recommendation: Accept work performed for Contract No. CW-234, Third Street Sewer System Improvements Phase III; and authorize final payment of \$36,994 to Harty Pipelines, Inc.

24. Discussion and possible action related to Contract No. CW-260. (Quan)

Staff Recommendation: Accept work performed for Contract No. CW-260, Clean, De-Root, Inspect and Seal Easement Sewers; and authorize final payment of \$16,575 to Pacific Liners, Inc. for a final contract amount of \$165,744.

PROFESSIONAL SERVICE CONTRACTS

Amend

25. Discussion and possible action related to a professional service agreement with Newcomb Anderson Associates. (Continued from the meeting of October 15, 2001.) (Weiner)

Staff Recommendation: Authorize the General Manager of Public Utilities to modify the as-needed energy engineering services agreement with Newcomb Anderson Associates increasing the contract amount from \$306,700 to \$760,000.

26. Discussion and possible action related to a professional service agreement with Brown, Vence and Associates. (Continued from the meeting of October 15, 2001.) (Weiner)

Staff Recommendation: Authorize the General Manager of Public Utilities to modify the as-needed energy engineering services agreement with Brown, Vence and Associates increasing the contract amount from \$306,700 to \$760,000.

27. Discussion and possible action related to a professional service agreement with Montague DeRose & Associates and Kitahata & Company. (Okereke)

Staff Recommendation: Authorize the Director of Finance to execute Amendment No. 1 to Agreement No. CS-650A, Financial Advisory Service contract with Montague DeRose and Associates, increasing the contract amount by \$75,000 and extending the term by one year; and execute Amendment No. 1 to Agreement No. CS-650B, Financial Advisory Service contract with Kitahata and Company increasing the contract amount by \$50,000 and extending the term by one year.

CLOSED SESSION

28. Public comments on matters to be discussed in Closed Session.
29. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

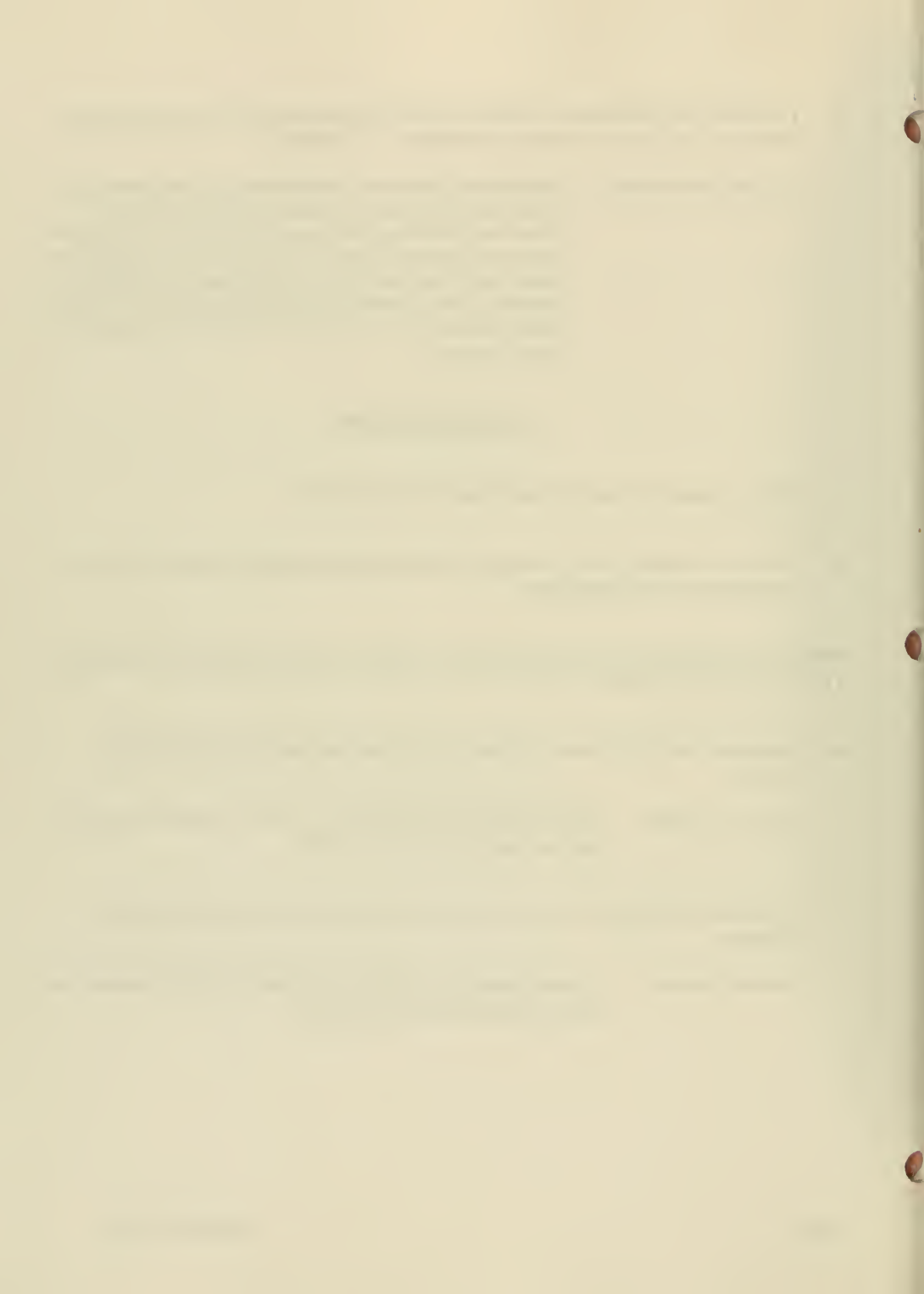
THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

30. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Furman)

Existing Litigation: City and County of San Francisco v. Turlock Irrigation District, San Francisco Superior Court No. 323717.

31. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Furman)

Existing Litigation: City and County of San Francisco v. Modesto Irrigation District, San Francisco Superior Court No. 323848.



32. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Milstein/Lee)

Existing Litigation: California Trout v. CCSF, et.al., Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-127.

33. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Simpson)

Existing Litigation: Mehran Esmaili, et.al. v. City of Millbrae, et.al., San Mateo, San Mateo Superior Court Case No. 410495 (Consolidated with San Mateo Superior Court No. 414241).

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

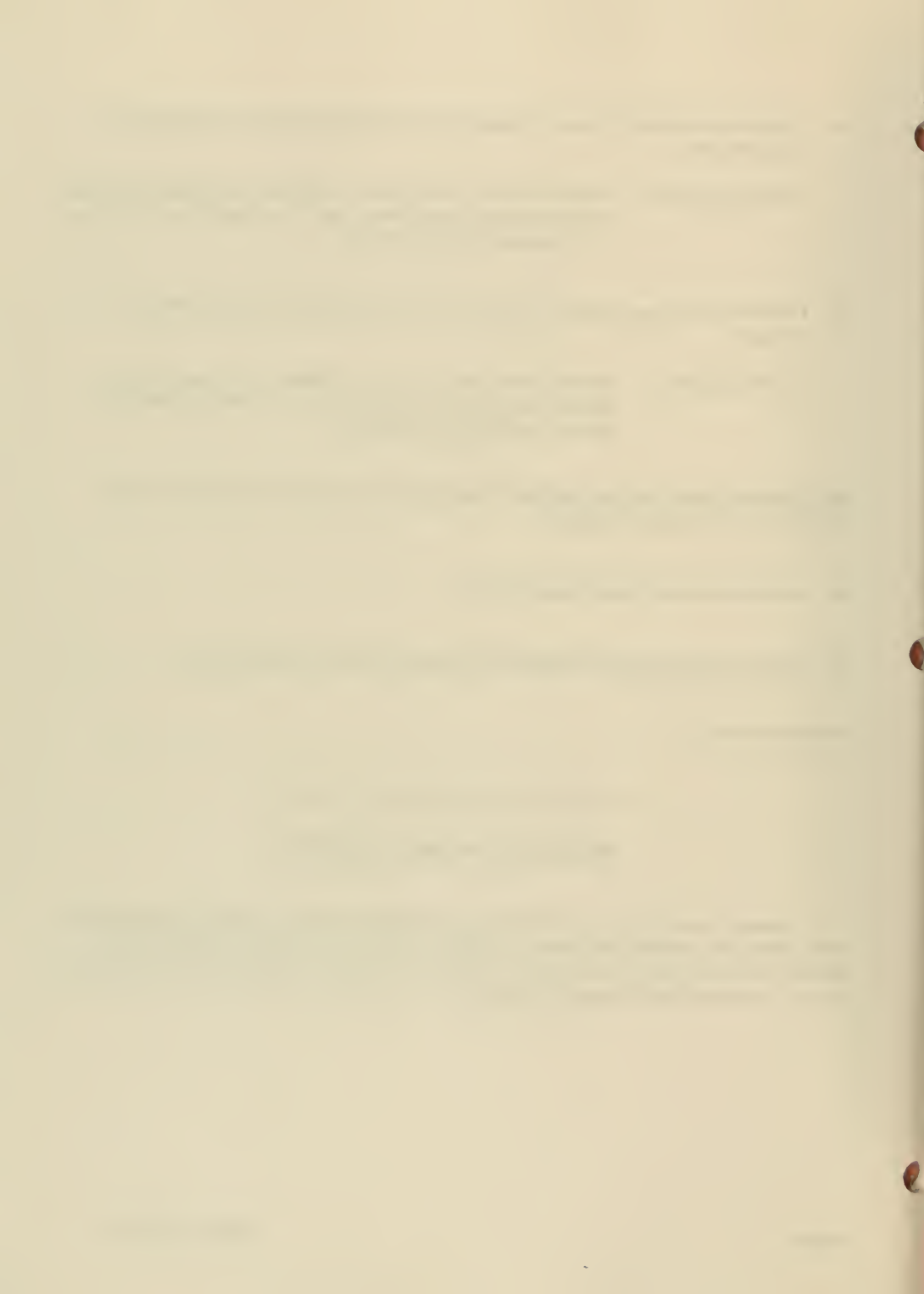
34. Announcement following Closed Session.

35. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

NOTICE OF PUBLIC HEARING

Notice is hereby given that the San Francisco Public Utilities Commission will conduct a public hearing on Tuesday, November 13, 2001 at 1:30 P.M. in City Hall, Room 400, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, to consider amending the Rules of Order of the San Francisco Public Utilities Commission.



32
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22/01
4



San Francisco Public Utilities Commission

City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

MINUTES

October 22, 2001
9:00 A.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

DOCUMENTS DEPT.

DEC - 6 2001

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

The Honorable Ann Moller Caen, President
The Honorable E. Dennis Normandy, Vice President
The Honorable Frank L. Cook
The Honorable Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Patricia E. Martel
GENERAL MANAGER

Mary Y. Jung
SECRETARY



ORDER OF BUSINESS:

1. Call to Order: 9:14 A.M.

2. Roll Call: Present - President Ann Moller Caen, Vice President E. Dennis Normandy, Commissioner Frank L. Cook, Commissioner Ashok Bhatt

3. Approval of Minutes

Moved by Commissioner Normandy, seconded by Commissioner Bhatt, to adopt the Minutes of September 25, 2001 Regular Meeting, the Minutes of October 2, 2001 Special Meeting, and Minutes of October 9, 2001 Regular Meeting; passed (4-0) unanimously.

4. Communications

No action taken.

5. Old/Ongoing Business by Commissioners

Commissioner Bhatt requested that the SFPUC website be kept updated. Patricia E. Martel, SFPUC General Manager, responded that she was in the process of identifying staff who would be responsible for updating information on the website on an ongoing basis.

6. Introduction of New Business by Commissioners

President Caen announced that William Berry, Assistant General Manager for Finance & Administration, was leaving the SFPUC to accept the position of Chief Financial Officer for the California Consumer Power and Conservation Financing Authority.

7. Report of the General Manager

a) San Francisco Water Alliance (SFWA) Monthly Report. (Continued from the meeting of October 15, 2001.)

John Kluesener, SFWA Program Director, presented a report on SFWA's activities for the month of September and early October.

Mr. Kluesener reported that SFWA was involved in assessing security requirements at SFPUC facilities. SFWA would submit their recommendations in early November for immediate and long-term security solutions for the system.

Mr. Kluesener stated that SFWA would review the scope of projects in the Long-Range Capital Improvement Plan, refine the cost estimates and update the Capital Improvement Plan, the Strategic Plan and the Long-Range Financial Plan.

Mr. Kluesener reported that SFWA had refined the scope for Prop A & B projects and they are looking at cost estimates and putting together an integrated schedule of delivery of these projects.

Commissioner Normandy requested a report on the status of the Alliance's efforts to identify projects that if left undone will put the system at high risk.

Commissioner Cook suggested coordinating the department's security efforts with law enforcement agencies of other counties whose properties cross the SFPUC. Ms. Martel responded that a comprehensive review of security issues was being undertaken and a plan would be prepared to address those issues.

President Caen directed staff to provide a listing of Prop A & B projects, their corresponding start dates and funds expended to date.

b) Report on the Sustainability Fair.

Ed Smeloff, Assistant General Manager for Power Policy, reported that the SFPUC, along with other agencies, hosted a sustainability fair on October 13, 2001 at Lincoln High School in San Francisco. Among the 5,000 people who attended were several City officials. The SFPUC distributed 2,500 energy saving fluorescent bulbs. Mr. Smeloff thanked SFPUC staff who helped coordinate the event; namely, Kimberly Knox, Bill Peden, Mary Jung, Anna Wong, and Hope Vaquera.

Mr. Smeloff stated that they would be looking at holding future energy fairs in other parts of the City.

c) Update on Maxwell Energy Plan.

Mr. Smeloff gave a report concerning the Energy Resource Plan required by a Board of Supervisors Ordinance sponsored by Supervisor Maxwell. The plan was required to be developed by January 1, 2002 to address goals to provide adequate energy supplies, affordable rates and bills, reliable service, opportunity for economic development, and to minimize environmental impacts to communities burdened by the power plant.

Mr. Smeloff indicated that the components of the plan include shutdown of the two power plants at Hunters Point, development of high voltage transmission

alternatives, increase in dependence on natural gas, and creation of decentralized power resources within San Francisco. Staff was looking at possible sites for new peaking plants in San Francisco as an alternative to Hunters Point.

8. BAWUA General Manager's Report

a) Moving Forward with the Capital Improvement Program.

Art Jensen, General Manager of the Bay Area Water Users Association, urged the Commission to move forward with the CIP quickly, find funding for the projects, and consider separating the most critical regional water system projects serving San Francisco and suburban customers.

9. Public comments on matters not on today's agenda.

There were none.

REGULAR BUSINESS

10. Discussion concerning Commercial Paper Program and Financing Schedule.

Staff Recommendation: For information only.

Kingsley Okereke, Bureau of Finance Director, presented an overview of the performance of the Commercial Paper Program. He proposed to continue the use of Commercial Paper as a financing strategy given the current interest rate environment.

With respect to funding requirements relative to Prop A & B projects, Mr. Okereke reported that staff anticipated that the \$84 million funds earmarked for these projects would be depleted at the first quarter of next year and we would need to issue the second phase of the remaining bonds. Mr. Okereke stated that staff would seek Commission approval in November to go forward with new bond issuance and refund existing bonds for Water and Clean Water enterprises.

LEASES AND PERMITS

11. Discussion and possible action related to Chevron Pipeline lease. (Continued from the meeting of October 15, 2001.)

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0207: Authorize the General Manager of Public Utilities to execute a lease with Chevron Pipeline Company, for a 20-foot right of way which crosses SFPUC land located on a portion of Parcel 65 of Alameda County lands, in Sunol, California, for maintaining, operating, and repairing a pipeline for the transportation of oil, gas, and petroleum products, at an annual rental rate of \$10,000.

Moved by Commissioner Cook, seconded by Commissioner Normandy to adopt Items No. 12, 13, 14, and 15 collectively; passed (4-0) unanimously.

12. Resolution No. 01-0208: Authorize the General Manager of Public Utilities to execute a lease with Imhof Tractor Service, Inc. for approximately 125 acres of SFPUC lands located on Parcel LA8.1 of Alameda County lands in Sunol, California, for grazing and dry farming, at an annual rental rate of \$1,679.
13. Resolution No. 01-0209: Authorize the General Manager of Public Utilities to execute a lease with Steven Gonsalves for approximately 74 acres of SFPUC land located on Parcels LA8.2 and LA8.3 of Alameda County lands in Sunol, California, for grazing purposes, at an annual rental rate of \$1,095.
14. Resolution No. 01-0210: Authorize the General Manager of Public Utilities to execute a lease with Harold and Caryl Lepelley for the use of approximately 1,360 square feet of SFPUC land located on Bay Division Pipeline 1 & 2, Parcels 2067, 2066(2) in Redwood City, California, for parking purposes, at an annual rental rate of \$1,468.80.
15. Resolution No. 01-0211: Authorize the General Manager of Public Utilities to execute a lease with Moseley Trust for approximately 4,200 square feet of SFPUC land located on a portion of Parcel 2129 of Bay Division Pipeline Nos. 1 and 2 right of way in Redwood City, California for a driveway, landscaping, and patio, at an annual rental rate of \$1,212.

Commissioner Normandy inquired on the disparity in rental rates between Item 12 and Item 13 where the properties are adjacent parcels and have similar grazing use. Gary Dowd, Manager of the Bureau of Commercial Land Management, explained that the price was not based on the square foot value but on the type of growth on the property.

Commissioner Normandy also inquired on the price disparity between Item 14 and Item 15. Mr. Dowd responded that a portion of the total lease area for Item 15 was for landscaping, and the City does not charge tenants for landscaping use.

CONSTRUCTION CONTRACTS

Advertise

16. Discussion and possible action related to Contract No. HH-887. (Continued from the meeting of October 15, 2001.)

Moved by Commissioner Cook, seconded by Commissioner Normandy to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0212: Approve the plans and specifications, and authorize the Utilities Engineering Bureau Manager to advertise for bids for Contract No. HH-887, Moccasin Domestic Water Improvements.

17. Discussion and possible action related to Contract No. WD-2371.

Michael Quan, Utilities Engineering Bureau Manager, noted that the agenda item needed to be corrected to read that the contract duration was 445 working days rather than 445 consecutive calendar days.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0213: Approve the plans and specifications, and authorize the Utilities Engineering Bureau to advertise for bid for Contract No. WD-2371, Hetch Hetchy Water Treatment Project-Pulgas Dechloramination Facility.

18. Discussion and possible action related to Contract No. WD-2375.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0214: Approve the plans and specifications, and authorize the Utilities Engineering Bureau to advertise for bid for Contract No. WD-2375, Seismic Improvements at Millbrae Yard and Harry Tracy Water Treatment Plant.

19. Discussion and possible action related to Contract No. CW-295.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0215: Approve the plans and specifications, and authorize the Utilities Engineering Bureau to advertise for bid for Contract No. CW-295, Clay and Sacramento Streets Sewer Rehabilitation.

Award

20. Discussion and possible action related to Contract No. WD-2340. (Continued from the meeting of October 15, 2001.)

Mr. Quan noted that this contract had a small window for completing the work by the end of October, but we missed the window due to the cancellation of the last two meetings. He said the "Notice to Proceed" would be postponed until next summer so as not to interfere with sensitive environmental issues during the rainy season and bird-nesting season. He noted that the Contractor agreed to lock their price for one year.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0216: Award Contract No. WD-2340, Recoating of Bay Division Pipe Line Nos. 1 and 2 in the vicinity of Irvington Pump Station, in the amount of \$446,750 to Certified Coatings of California.

Moved by Commissioner Bhatt, seconded by Commissioner Cook to adopt Items No. 21, 22, 23, and 24 collectively; passed (4-0) unanimously.

21. Resolution No. 01-0217: Award Contract No. WD-2352, 4-, 6- & 8-Inch Ductile Iron Main Installation in Stevenson Street from 5th Street to 7th Street; in Jessie Street from 1st Street to 3rd Street; and in Anthony Street from Mission Street to Jessie Street, in the amount of \$606,653 to J. Flores Construction.
22. Resolution No. 01-0218: Award Contract No. CW-286, 2nd/7th Avenues Sewer Replacement, in the amount of \$280,950 to Harty Pipelines, Inc.

23. Resolution No. 01-0219: Accept work performed for Contract No. CW-234, Third Street Sewer System Improvements Phase III; and authorize final payment of \$36,994 to Harty Pipelines, Inc.
24. Resolution No. 01-0220: Accept work performed for Contract No. CW-260, Clean, De-Root, Inspect and Seal Easement Sewers; and authorize final payment of \$16,575 to Pacific Liners, Inc. for a final contract amount of \$165,744.

PROFESSIONAL SERVICE CONTRACTS

Amend

Moved by Commissioner Normandy, seconded by Commissioner Bhatt to adopt Items 25 and 26 collectively; passed (4-0) unanimously.

25. Resolution No. 01-0221: Authorize the General Manager of Public Utilities to modify the as-needed energy engineering services agreement with Newcomb Anderson Associates increasing the contract amount from \$306,700 to \$760,000.
26. Resolution No. 01-0222: Authorize the General Manager of Public Utilities to modify the as-needed energy engineering services agreement with Brown, Vence and Associates increasing the contract amount from \$306,700 to \$760,000.
27. Discussion and possible action related to a professional service agreement with Montague DeRose & Associates and Kitahata & Company.

Staff Recommendation: Authorize the Director of Finance to execute Amendment No. 1 to Agreement No. CS-650A, Financial Advisory Service contract with Montague DeRose and Associates, increasing the contract amount by \$75,000 and extending the term by one year; and execute Amendment No. 1 to Agreement No. CS-650B, Financial Advisory Service contract with Kitahata and Company increasing the contract amount by \$50,000 and extending the term by one year.

Commissioner Cook raised concerns that the 40% minority participation goal for the contract was not met, and yet he did not see any penalty imposed on the prime contractor. Diana Rathbone, HRC Contract Compliance Officer, stated that there

was a formal proceeding for non-compliance and customary penalty varying on the degree of non-compliance, but HRC recommended conciliation at this time. The contractor agreed with HRC to bring up minority participation to 40% in their contract next year.

Commissioner Normandy expressed opposition to extending the contract for another year. He said the Commission was dissatisfied with the length of time it took to develop the Long Range Financial Plan and if the firm was involved in the delays, he did not find the contract worthy of renewal. He pointed out that there was inadequate documentation that the firm actually met the goals set up in the first and second year work plans.

Commissioner Normandy moved to continue Item 27 to the next regularly scheduled Commission meeting on November 13, 2001, with a direction to staff to provide a detailed comparison between expectations of the contract and what was actually met. Commissioner Cook seconded. The motion passed unanimously (4-0).

CLOSED SESSION

28. Public comments on matters to be discussed in Closed Session.

There were none.

29. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session at 11:07 A.M. and discussed the Closed Session agenda in the order listed below:

33. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Mehran Esmaili, et.al. v. City of Millbrae, et.al., San Mateo, San Mateo Superior Court Case No. 410495 (Consolidated with San Mateo Superior Court No. 414241).

Present were President Caen, Vice President Normandy, Commissioner Cook, Commissioner Bhatt, SFPUC General Manager Patricia E. Martel, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, Deputy City Attorney Louise Simpson, and Deputy City Attorney Joshua Milstein.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 01-0223: Recommend a settlement in the case of Mehran Esmaili, et.al. v. City of Millbrae, et.al., San Mateo, San Mateo Superior Court Case No. 410495 (Consolidated with San Mateo Superior Court No. 414241).

32. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: California Trout v. CCSF, et.al., Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-127.

Present were President Caen, Vice President Normandy, Commissioner Cook, Commissioner Bhatt, SFPUC General Manager Patricia E. Martel, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, Deputy City Attorney Joshua Milstein, and Bureau of System Planning Director Michael Carlin.

Moved by Commissioner Normandy, seconded by Commissioner Bhatt, to disclose the term sheets for the diversion of storm water into Lake Merced; passed (4-0) unanimously.

30. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: City and County of San Francisco v. Turlock Irrigation District, San Francisco Superior Court No. 323717.

Present were President Caen, Vice President Normandy, Commissioner Cook, Commissioner Bhatt, SFPUC General Manager Patricia E. Martel, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, Deputy City Attorney Donn Furman, and Assistant General Manager for Power Policy Ed Smeloff.

No action was taken.

31. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a): (Furman)

Existing Litigation: City and County of San Francisco v. Modesto Irrigation District, San Francisco Superior Court No. 323848.

Present were President Caen, Vice President Normandy, Commissioner Cook, Commissioner Bhatt, SFPUC General Manager Patricia E. Martel, Utilities General

Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, Deputy City Attorney Donn Furman, and Assistant General Manager for Power Policy Ed Smeloff.

No action was taken.

Following the Closed Session, the Commission reconvened in open session at 11:40 A.M.

34. Announcement following Closed Session.

President Caen announced the actions taken during Closed Session.

35. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook, not to disclose the discussions during Closed Session except for Item 32, where the Commission voted unanimously to disclose the term sheet; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 11:42 A.M.

Mary Y. Jung
Secretary



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

AGENDA
REGULAR MEETING

November 13, 2001
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

DOCUMENTS DEPT.

NOV - 8 2001

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COMMISSIONERS

The Honorable Ann Moller Caen, President
The Honorable E. Dennis Normandy, Vice President
The Honorable Frank L. Cook
The Honorable Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
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Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Patricia E. Martel
GENERAL MANAGER

Mary Y. Jung
SECRETARY



Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Mary Y. Jung at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Clerk, City Hall, Room 409, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-7724; Fax No.: (415) 554-7854; E-mail: Donna_Hall@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

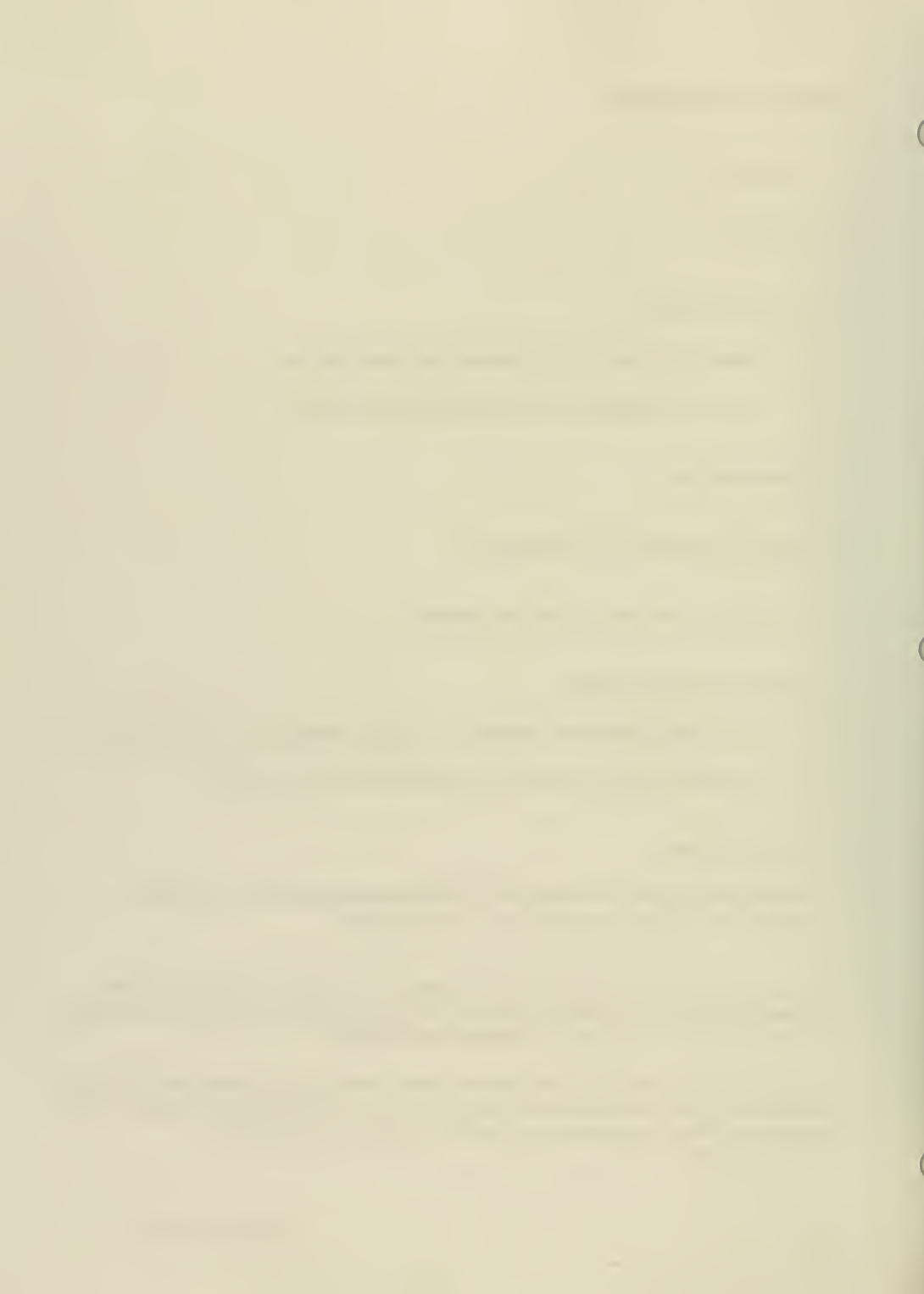
ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
 - a) Minutes of August 14, 2001 Regular Commission Meeting
 - b) Minutes of October 22, 2001 Regular Commission Meeting
4. Communications
5. Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a) Lake Merced Stewardship Proposal. (DeeDee Workman - San Francisco Beautiful)
 - b) Report on the San Francisco Water Alliance Contract. (Martel)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.



REGULAR BUSINESS

9. Discussion and possible action related to a Memorandum of Understanding for the Vista Grande Storm Water Diversion Pilot Project Study. (Carlin)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a Memorandum of Understanding between the SFPUC, City of Daly City, and North San Mateo County Sanitation District for the implementation of the Vista Grande Storm Water Diversion Project; issue a land use permit allowing Daly City to occupy City lands; authorize payment of up to \$350,000 to the City of Daly City for SFPUC's share of implementation and operational costs of the study; apply for, accept, and expend up to \$500,000 in grant funding from the California Department of Water Resources; and apply in equal shares with the City of Daly City the State grant funds received for the implementation of the Pilot Project Study.

10. Discussion and possible action related to Memorandums of Understanding related to the CALFED Bay-Delta Program. (Carlin)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute the Bay Area Blending and Exchange Memorandum of Understanding and the Los Vaqueros Expansion Studies Memorandum of Understanding for participating in CALFED studies related to water supply reliability and water quality improvement.

11. Discussion and possible action related to SFPUC Contracting Policies. (Quan)

Staff Recommendation: Rescind outdated contracting policies to conform with the revised Public Works Contracting Policies under the San Francisco Administrative Code and modify policies to simplify contract action procedures.

CHAPTER 10

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CONSTRUCTION CONTRACTS

Amend

12. Discussion and possible action related to Contract No. CW-283. (Quan)

Staff Recommendation: Authorize an additional allocation from the Clean Water Enterprise budget; approve modification No. 1 to Contract No. CW-283, Davidson Street Debris Removal, increasing the contract by \$204,000 and extending the contract by 90 consecutive calendar days.

Close

13. Discussion and possible action related to Contract No. WP-16R. (Quan)

Staff Recommendation: Accept work performed for Contract No. WP-16R, Cherry Power Tunnel Rock Trap Rehabilitation; approve Modification No. 2 decreasing the contract by \$161,084.12; and authorize final payment of \$18,422.34 to Mitchell Engineering.

PROFESSIONAL SERVICE CONTRACTS

Advertise

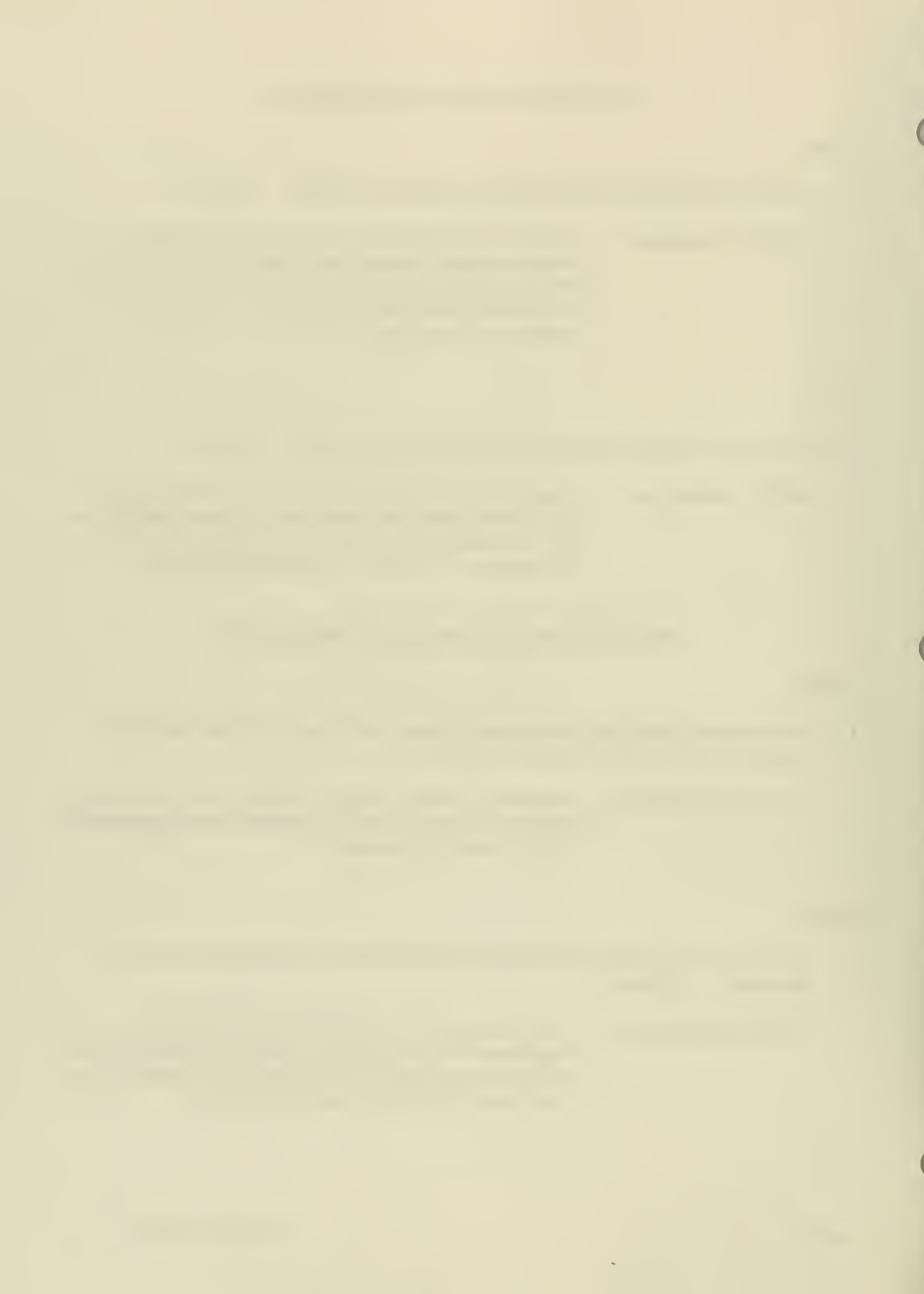
14. Discussion and possible action related to a Request for Proposal for a Dry-Year Water Supply Purchase/Exchange Program. (Carlin)

Staff Recommendation: Authorize the General Manager of Public Utilities to circulate a Request for Proposal to provide additional water supplies to the SFPUC to meet dry-year needs.

Award

15. Discussion and possible action related to a Real Estate/Land Use Negotiation Services agreement. (Dowd)

Staff Recommendation: Award Agreement No. CS-983, Real Estate/Land Use Negotiation Services, to Wendel, Rosen, Black Dean LLP, for an amount not to exceed \$200,000 per year for a total amount not-to-exceed \$800,000 for a term of four years.



Amend

16. Discussion and possible action related to professional service agreements with Montague DeRose & Associates and Kitahata & Company. (Continued from the meeting of October 22, 2001). (Okereke)

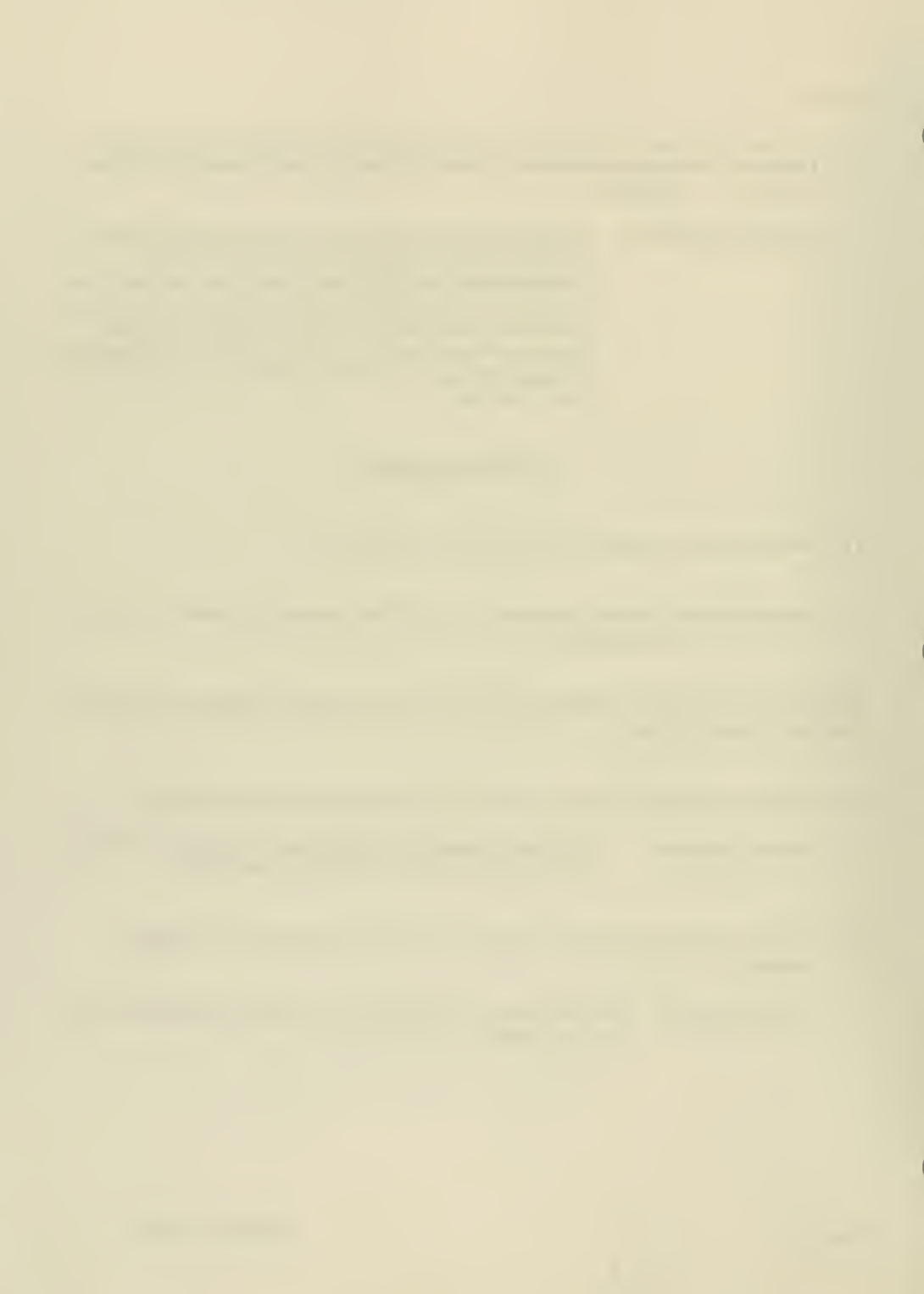
Staff Recommendation: Authorize the Director of Finance to execute Amendment No. 1 to Agreement No. CS-650A, Financial Advisory Service contract with Montague DeRose and Associates, increasing the contract amount by \$75,000 and extending the term by one year; and execute Amendment No. 1 to Agreement No. CS-650B, Financial Advisory Service contract with Kitahata and Company increasing the contract amount by \$50,000 and extending the term by one year.

CLOSED SESSION

17. Public comments on matters to be discussed in Closed Session.
18. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

19. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
Existing Litigation: 21st Century Insurance Co./Danny Kan vs. The City & County of San Francisco, Claim No. 00-W-6071-1/02-00818.
20. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a): (Furman)
Existing Litigation: City and County of San Francisco v. Turlock Irrigation District, San Francisco Superior Court No. 323717.



21. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Furman)

Existing Litigation: City and County of San Francisco v. Modesto Irrigation District, San Francisco Superior Court No. 323848.

22. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Milstein/Lee)

Existing Litigation: California Trout v. CCSF, et.al., Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-127.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL
RECONVENE IN PUBLIC SESSION.

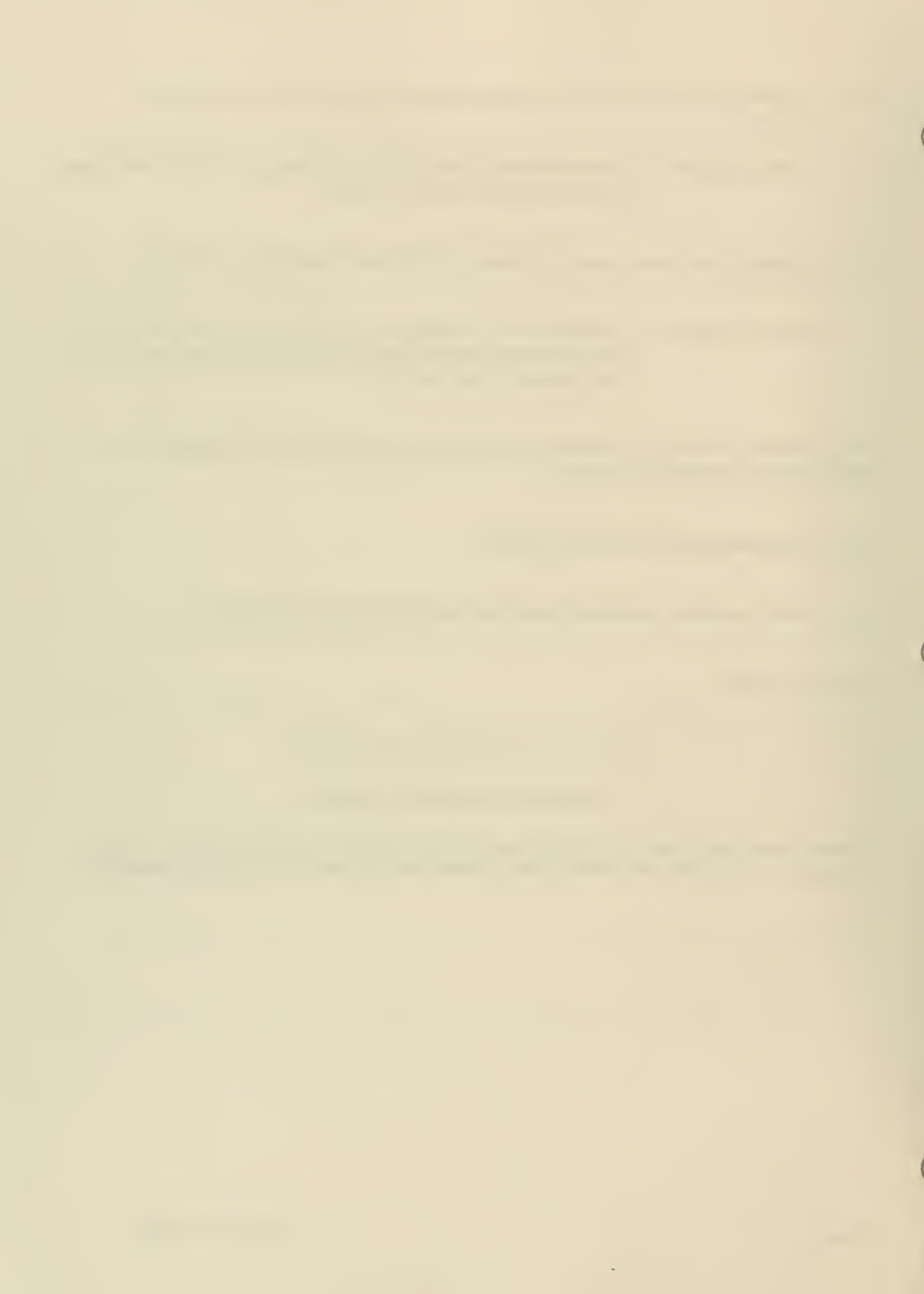
23. Announcement following Closed Session.

24. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

NOTICE OF CANCELLATION

Notice is hereby given that the public hearing scheduled today, November 13, 2001, to consider changes in the San Francisco Public Utilities Commission's Rules of Order, has been cancelled.





SAN FRANCISCO PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

MINUTES

November 13, 2001
1:30 P.M.

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

The Honorable Ann Moller Caen, President
The Honorable E. Dennis Normandy, Vice President
The Honorable Frank L. Cook
The Honorable Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Patricia E. Martel
GENERAL MANAGER

Mary Y. Jung
SECRETARY



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ORDER OF BUSINESS:

1. Call to Order: 1:51 P.M.
2. Roll Call: Present - Vice President E. Dennis Normandy,
Commissioner Frank L. Cook, Commissioner Ashok Bhatt

Excused - President Ann Moller Caen

3. Approval of Minutes

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to adopt the Minutes of August 14, 2001 Regular Commission Meeting as amended, and the Minutes of October 22, 2001 Regular Commission Meeting; passed (3-0) unanimously.

4. Communications

No action was taken.

5. Old/Ongoing Business by Commissioners

Commissioner Bhatt followed up on his request to update the web site. Patricia Martel, General Manager of Public Utilities, responded that she would look into the matter. Vice President Normandy urged the Commissioners to also check the website for changes they would like to make.

6. Introduction of New Business by Commissioners

Commissioner Cook announced that Vice President Normandy received a Community Service Award from the Association of Filipino Architects Contractors & Engineers last Friday, November 9, 2001, for his support in including Filipino-American businesses in SFPUC contracts.

Vice President Normandy requested staff to provide a report concerning the security of personnel data.

Vice President Normandy directed staff to provide the Commission with the policy relative to cellular phone usage.

Vice President Normandy requested staff to report to the Commission at the next Commission meeting concerning the condition of water and sewer pipes and whether we should be concerned about flooding during the rainy season.

7. Report of the General Manager

Ms. Martel reported on the tragic loss of Jane Li, one of the SFPUC's valuable engineers. She advised of a memorial that would be held on Friday, November 16, 2001 at the War Memorial Green Room.

a) Lake Merced Stewardship Proposal.

Dee Dee Workman, Executive Director of San Francisco Beautiful, presented the Stewardship Proposal for the restoration of Lake Merced.

Jane Silver Jacob, Chair of the Lake Merced Task Force Recreation Committee, also from San Francisco State University, talked about the roles of the Lake Merced Task Force. She talked about the proposal to create an educational and recreational center at Lake Merced.

Lisa Wayne, Chair of the Lake Merced Task Force Nature Committee, and Director of San Francisco Recreation and Park's Natural Resource Program, addressed the need to increase awareness about aquatic life and the lake's ecosystem, and improve habitat diversity around the lake.

Tim Colen, Co-Chair of the Lake Merced Task Force Water Committee, commented on the rapid deterioration of the lake and the urgency of the need for tertiary water.

Dee Dee Workman who spoke on behalf of Mike Leo, Lake Merced Task Force Resources Committee, noted that their committee had started to seek funds to implement their recommendations.

b) Report on the San Francisco Water Alliance Contract.

Ms. Martel reported that the Board of Supervisors extended the contract with the San Francisco Water Alliance (SFWA) for a period of six months for an additional funding of \$3 million. The Board of Supervisors Finance Committee requested SFPUC to report on a monthly basis concerning the progress of the contract. Ms. Martel stated that she would present a monthly report to the Commission and the Board of Supervisors.

Ms. Martel noted that staff had been working with SFWA on developing a revised scope of work for the extended time of the contract.

President Normandy pointed out that the Commission did not want to prematurely terminate its contract with the SFWA until SFPUC staff had obtained adequate training to assume the program management function. He emphasized the need to move quickly and comply with union

requirements. He stressed that the hiring of SFWA was not intended to privatize the water and power system.

8. Public Comments on matters not on today's agenda.

There were none.

REGULAR

9. Discussion and possible action related to a Memorandum of Understanding for the Vista Grande Storm Water Diversion Pilot Project Study.

Vice President Normandy directed staff to report at every Commission meeting concerning the progress of issues relating to Lake Merced. Commissioner Cook suggested providing a summary rather than a presentation.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 01-0224: Authorize the General Manager of Public Utilities to execute a Memorandum of Understanding between the SFPUC, City of Daly City, and North San Mateo County Sanitation District for the implementation of the Vista Grande Storm Water Diversion Project; issue a land use permit allowing Daly City to occupy City lands; authorize payment of up to \$350,000 to Daly City for SFPUC's share of implementation and operational costs of the study; apply for, accept, and expend up to \$500,000 in grant funding from the California Department of Water Resources; and apply in equal shares with Daly City the State grant funds received for the implementation of the Pilot Project Study.

10. Discussion and possible action related to Memorandums of Understanding related to the CALFED Bay-Delta Program.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 01-0225: Authorize the General Manager of Public Utilities to execute the Bay Area Blending and Exchange Memorandum of Understanding and the Los Vaqueros Expansion Studies Memorandum of Understanding for participating in CALFED studies related to water supply reliability and water quality improvement.

11. Discussion and possible action related to SFPUC Contracting Policies.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 01-0226: Rescind outdated contracting policies to conform to the revised Public Works Contracting Policies under the San Francisco Administrative Code and modify policies to simplify contract action procedures.

CONSTRUCTION CONTRACTS

Amend

12. Discussion and possible action related to Contract No. CW-283.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 01-0227: Authorize an additional allocation from the Clean Water Enterprise budget; approve modification No. 1 to Contract No. CW-283, Davidson Street Debris Removal, increasing the contract by \$204,000 and extending the contract by 90 consecutive calendar days.

Close

13. Discussion and possible action related to Contract No. WP-16R.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 01-0228: Accept work performed for Contract No. WP-16R, Cherry Power Tunnel Rock Trap Rehabilitation; approve Modification No. 2 decreasing the contract by \$161,084.12; and authorize final payment of \$18,422.34 to Mitchell Engineering.

PROFESSIONAL SERVICE CONTRACTS

Advertise

14. Discussion and possible action related to a Request for Proposal for a Dry-Year Water Supply Purchase/Exchange Program.

Nicole Sandkulla of the Bay Area Water Users Association commented in support of the item. She urged the Commission to consider a backup plan to meet water supply requirements next year given that this year's runoff was uncertain. She expressed concerns about the timeliness of the Request for Proposal (RFP) process. Mr. Carlin noted that the system is not in a dry year currently and that there is sufficient supply available.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 01-0229: Authorize the General Manager of Public Utilities to circulate a Request for Proposal to provide additional water supplies to the SFPUC to meet dry-year needs.

Award

15. Discussion and possible action related to a Real Estate/Land Use Negotiation Services agreement.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 01-0230: Award Agreement No. CS-983, Real Estate/Land Use Negotiation Services, to Wendel, Rosen, Black Dean LLP, for an amount not to exceed \$200,000 per year for a total amount not-to-exceed \$800,000 for a term of four years.

Amend

16. Discussion and possible action related to professional service agreements with Montague DeRose & Associates and Kitahata & Company. (Continued from the meeting of October 22, 2001).

Moved by Commissioner Bhatt, seconded by Commissioner Cook to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 01-0231: Authorize the Director of Finance to execute Amendment No. 1 to Agreement No. CS-650A, Financial Advisory Service contract with Montague DeRose and Associates, increasing the contract amount by \$75,000 and extending the term by one year; and execute Amendment No. 1 to Agreement No. CS-650B, Financial Advisory Service contract with Kitahata and Company increasing the contract amount by \$50,000 and extending the term by one year.

CLOSED SESSION

17. Public comments on matters to be discussed in Closed Session.

There were none.

18. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to assert the attorney-client privilege; passed (3-0) unanimously.

The Public Utilities Commission went into Closed Session at 2:53 P.M. to discuss the following matters:

19. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: 21st Century Insurance Co./Danny Kan vs. The City & County of San Francisco, Claim No. 00-W-6071-1/02-00818.

Present were Vice President Normandy, Commissioner Cook, Commissioner Bhatt, PUC General Manager Patricia E. Martel, Utilities General Counsel Vicki Clayton, and Commission Secretary Mary Y. Jung.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to adopt the following resolution; passed 3-0 unanimously.

Resolution No. 01-0232: Recommend a settlement in the case of 21st Century Insurance Co./Danny Kan vs. City & County of San Francisco, Claim No. 00-W-6071-1/02-00818.

20. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: City and County of San Francisco v. Turlock Irrigation District, San Francisco Superior Court No. 323717.

Present were Vice President Normandy, Commissioner Cook, Commissioner Bhatt, PUC General Manager Patricia E. Martel, Utilities General Counsel Vicki Clayton, and Commission Secretary Mary Y. Jung.

No action was taken.

21. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: City and County of San Francisco v. Modesto Irrigation District, San Francisco Superior Court No. 323848.

Present were Vice President Normandy, Commissioner Cook, Commissioner Bhatt, PUC General Manager Patricia E. Martel, Utilities General Counsel Vicki Clayton, and Commission Secretary Mary Y. Jung.

No action was taken.

22. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Present were Vice President Normandy, Commissioner Cook, Commissioner Bhatt, PUC General Manager Patricia E. Martel, Utilities General Counsel Vicki Clayton, and Commission Secretary Mary Y. Jung.

Existing Litigation: California Trout v. CCSF, et.al., Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-127.

No action was taken.

Following the Closed Session, the Commission reconvened in open session at 3:04 P.M.

23. Announcement following Closed Session.

Vice President Normandy announced the actions taken during Closed Session.

24. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, not to disclose the discussions during Closed Session; passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 3:05 P.M.

Mary Y. Jung
Secretary



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

AGENDA

REGULAR MEETING

November 27, 2001
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

The Honorable Ann Moller Caen, President
The Honorable E. Dennis Normandy, Vice President
The Honorable Frank L. Cook
The Honorable Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Patricia E. Martel
GENERAL MANAGER

Mary Y. Jung
SECRETARY



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Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Mary Y. Jung at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Clerk, City Hall, Room 409, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-7724; Fax No.: (415) 554-7854; E-mail: Donna_Hall@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a) Report on Mayor's Energy Conservation Account Program. 10 mins. (Peden)
8. Bay Area Water Users Association (BAWUA) General Manager's Report
 - a) CIP, Drought and Budget. (Jensen)
9. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

CONSENT CALENDAR

10. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the San Francisco Public Utilities Commission, and will be acted upon by a single vote of the Commission. There will be no separate discussion of these items unless a member of the Commission or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
- a) Approve plans and specifications; and authorize bid call for Contract WD-2367, Harry Tracy Water Treatment Plant Ozone System Improvements.
 - b) Accept work performed for Contract No. WD-2286, 8-Inch Ductile Iron Main Installation in Leavenworth Street from Broadway to Vallejo Street and from Green Street to Chestnut Street, as complete; approve Modification No. 1 decreasing the contract by \$24,583; and authorize final payment of \$12,000 to JMB Construction, Inc.
 - c) Accept work performed for Contract No. CW-164, Alemany Boulevard/Mt. Vernon/Joost Avenues Sewer Replacement; approve modification No. 1 increasing the contract by \$2,638 with time extension of 50 consecutive calendar days; and authorize final payment of \$24,966 to Mitchell Engineering.
 - d) Accept work performed for Contract No. CW-245, Geary Street and Second Street Sewer Replacement; approve Modification No. 2 increasing the contract by \$22,702 with time extension of 3 consecutive calendar days; and authorize final payment of \$74,353 to JMB Construction, Inc.

REGULAR BUSINESS

11. Discussion and possible action related to reallocation of funds. (Quan)

Staff Recommendation: Approve the reallocation of \$1,500,000 from Alameda Creek Fisheries Restoration Project to Seismic Evaluation of Calaveras Dam Project

LEASES AND PERMITS

12. Discussion and possible action related to a lease with Clothing Broker, Inc. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a lease with Clothing Broker, Inc. for approximately 0.12 acres of SFPUC land located on a portion of Parcel 36 of San Francisco County Lands for parking purposes, at an annual rental rate of \$7,200.

CHAPTER 1

The first part of the book is devoted to the study of the properties of the function $f(x)$ defined by the equation

$$f(x) = \int_0^x \frac{1}{1+t^2} dt.$$

It is shown that $f(x)$ is an increasing function and that its range is the interval $(0, \frac{\pi}{2})$.

In the second part of the book, the properties of the function $f(x)$ are studied in more detail.

The third part of the book is devoted to the study of the properties of the function $f(x)$ in the case when x is a complex number.

CHAPTER 2

The first part of the book is devoted to the study of the properties of the function $f(x)$ defined by the equation

$$f(x) = \int_0^x \frac{1}{1+t^2} dt.$$

It is shown that $f(x)$ is an increasing function and that its range is the interval $(0, \frac{\pi}{2})$.

In the second part of the book, the properties of the function $f(x)$ are studied in more detail.

CONSTRUCTION CONTRACTS

Advertise

13. Discussion and possible action related to Contract No. WD-2372. (Quan)

Staff Recommendation: Approve the plans and specifications, and authorize bid call for Contract No. WD-2372, Hetch Hetchy Water Treatment Project-Sunol Valley and Harry Tracy Chloramination Facilities.

Award

14. Discussion and possible action related to Contract No. WD-2343. (Quan)

Staff Recommendation: Award Contract No. WD-2343, Chlorine Station Refurbishments, in the amount of \$1,274,451 to LC General Engineering.

PROFESSIONAL SERVICE CONTRACTS

Amend

15. Discussion and possible action related to the Total Utility Supervisory Control and Data Acquisition System, Agreement No. CS-460. (Quan)

Staff Recommendation: Authorize the Utilities Engineering Bureau to execute Amendment No. 9 to Agreement No. CS-460, Professional Services for the Development of a Total Utility Supervisory Control and Data Acquisition (SCADA) System, with Westin Engineering, Inc., extending the term by 145 days to accommodate a delay in construction schedule and protracted contract closeout.

16. Discussion and possible action related to the San Francisco Water Supervisory Control and Data Acquisition (SCADA) Project, Agreement No. CS-551. (Quan)

Staff Recommendation: Authorize the Utilities Engineering Bureau to execute Amendment No. 2 to Agreement No. CS-551, Construction Management Services for the San Francisco Water SCADA Project with CH2M Hill/Ocampo Esta, Joint Venture, increasing the contract amount by \$200,000 to accommodate a delay in construction schedule and protracted contract closeout.

CLOSED SESSION

17. Public comments on matters to be discussed in Closed Session.
18. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

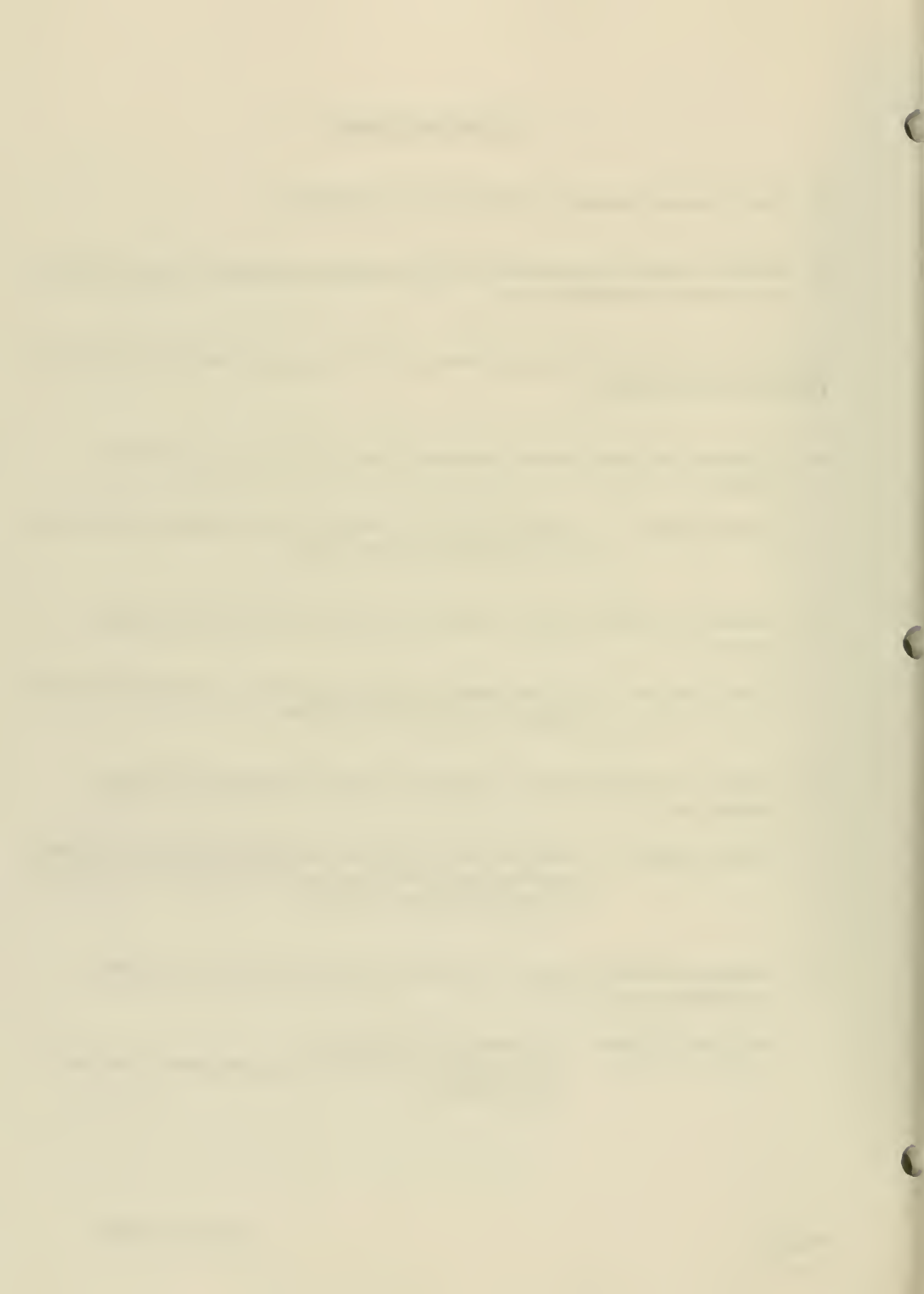
19. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Furman)

Existing Litigation: City and County of San Francisco v. Turlock Irrigation District, San Francisco Superior Court No. 323717.
20. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Furman)

Existing Litigation: City and County of San Francisco v. Modesto Irrigation District, San Francisco Superior Court No. 323848.
21. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Milstein/Lee)

Existing Litigation: California Trout v. CCSF, et.al., Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-127.
22. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(c):
(Clayton/Simpson)

Anticipated Litigation: As Plaintiff and As Defendant
Regarding delays and/or breach of communication and control system contract.



FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

23. Announcement following Closed Session.

24. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

MINUTES

November 27, 2001
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

The Honorable Ann Moller Caen, President
The Honorable E. Dennis Normandy, Vice President
The Honorable Frank L. Cook
The Honorable Ashok Kumar Bhatt

DEPARTMENTS

Water Department
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Hetch Hetchy Water & Power
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BUREAUS

Commercial Land Management
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Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Patricia E. Martel
GENERAL MANAGER

Mary Y. Jung
SECRETARY



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ORDER OF BUSINESS:

1. Call to Order: 1:36 P.M.

2. Roll Call: Present - President Ann Moller Caen, Vice President E. Dennis Normandy, Commissioner Frank L. Cook, Commissioner Ashok Bhatt

3. Approval of Minutes

There were no minutes submitted.

4. Communications

No action was taken.

5. Old/Ongoing Business by Commissioners

President Caen directed staff to provide a status report concerning the Long Range Capital Improvement Plan at the next regular Commission meeting.

6. Introduction of New Business by Commissioners

Commissioner Normandy requested that staff present any reorganization plans to the Commission prior to implementation.

President Caen requested staff to report on the sewer main break under Islais Creek. William Keaney, Water Pollution Control Division Manager, talked about the actions taken.

President Caen announced that the regular meeting of the Commission on December 11, 2001 would start at 2:00 p.m. instead of 1:30 p.m.

7. Report of the General Manager

Patricia E. Martel, General Manager of Public Utilities, reported that she appeared in a live radio talk show (KALW) on November 26, 2001, to discuss the proposed SFPUC Capital Improvement Plan. Art Jensen and Byron Brown, members of the Mayor's Public Utilities Infrastructure Task Force, were also at the show. A number of callers expressed concerns of the complexity of capital improvements at the SFPUC.

a) Report on Mayor's Energy Conservation Account (MECA) Program.

William Peden, Water & Power Resources Manager, gave a presentation concerning the implementation of the MECA program. Mayor Willie Brown allocated \$15 million to MECA to help finance energy conservation efforts of City departments. Mr. Peden discussed several energy efficiency projects currently underway and projects that were yet to be initiated. SFPUC staff was currently working with various City departments - Department of Public Works, Recreation & Park, Department of Parking & Traffic - to implement their own energy efficiency projects.

Mr. Peden noted that SFPUC was also working closely with the Department of Environment in developing a City Energy Plan. Public hearings would be conducted throughout the City concerning the plan. President Caen requested staff to provide the goals of the energy plan and what steps were being taken to meet those goals.

Commissioner Normandy suggested that outreach and collaboration with proponents of public power be initiated to address energy issues. Ms. Martel noted that staff was developing a public power policy and will regularly apprise the Commission.

Emetic Kalman inquired how the annual savings from energy efficiency projects were calculated and what the timelines were for those projects.

8. BAWUA General Manager's Report.

Arthur Jensen, General Manager of the Bay Area Water Users Association, commented about water supply needs and urged the Commission to evaluate potential need and pursue a backup plan in the event of a dry year.

9. Public comments on matters not on today's agenda.

John Douglas of Douglas Broadcasting, a lessee of the SFPUC, requested that their lease agreement, be placed back on the Commission's agenda. The item was continued to call of the Chair due to concerns about soil contamination and the rent fees. Mr. Douglas noted that the site was not contaminated. He said his rent had been increased by 72%.

Gary Dowd, Manager, Bureau of Commercial Land Management, responded to questions from the Commission concerning the condition of the site and terms of the lease. Commissioner Normandy and Commissioner Cook suggested putting the item back on the agenda before the end of the year.

Emeric Kalman asked whether a City official was legally bound by comments made on a radio talk show. He requested that the radio interview with Ms. Martel be audio taped and made part of the department's public records. Mr. Kalman also asked why the Lombard Reservoir Upgrade was not included in the Long Range Capital Improvement Plan.

CONSENT CALENDAR

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt the items listed under the Consent Calendar; passed (4-0) unanimously.

- 10.a) Resolution No. 01-0233: Approve plans and specifications; and authorize bid call for Contract WD-2367, Harry Tracy Water Treatment Plant Ozone System Improvements.
- 10.b) Resolution No. 01-0234: Accept work performed for Contract No. WD-2286, 8-Inch Ductile Iron Main Installation in Leavenworth Street from Broadway to Vallejo Street and from Green Street to Chestnut Street, as complete; approve Modification No. 1 decreasing the contract by \$24,583; and authorize final payment of \$12,000 to JMB Construction, Inc.
- 10.c) Resolution No. 01-0235: Accept work performed for Contract No. CW-164, Alemany Boulevard/Mt. Vernon/Joost Avenues Sewer Replacement; approve modification No. 1 increasing the contract by \$2,638 with time extension of 50 consecutive calendar days; and authorize final payment of \$24,966 to Mitchell Engineering.
- 10.d) Resolution No. 01-0236: Accept work performed for Contract No. CW-245, Geary Street and Second Street Sewer Replacement; approve Modification No. 2 increasing the contract by \$22,702 with time extension of 3 consecutive calendar days; and authorize final payment of \$74,353 to JMB Construction, Inc.

REGULAR BUSINESS

11. Discussion and possible action related to reallocation of funds.

Moved by Commissioner Cook, seconded by Commissioner Normandy to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0237: Approve the reallocation of \$1,500,000 from Alameda Creek Fisheries Restoration Project to Seismic Evaluation of Calaveras Dam Project.

LEASES AND PERMITS

12. Discussion and possible action related to a lease with Clothing Broker, Inc.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0238: Authorize the General Manager of Public Utilities to execute a lease with Clothing Broker, Inc. for approximately 0.12 acres of SFPUC land located on a portion of Parcel 36 of San Francisco County lands for parking purposes, at an annual rental rate of \$7,200.

CONSTRUCTION CONTRACTS

Advertise

13. Discussion and possible action related to Contract No. WD-2372.

Moved by Commissioner Normandy, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0239: Approve the plans and specifications, and authorize bid call for Contract No. WD-2372, Hetch Hetchy Water Treatment Project- Sunol Valley and Harry Tracy Chloramination Facilities.

Award

14. Discussion and possible action related to Contract No. WD-2343.

Moved by Commissioner Normandy, seconded by Commissioner Bhatt to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0240: Award Contract No. WD-2343, Chlorine Station Refurbishments, for \$1,274,451 to LC General Engineering.

Items 15 and 16 were discussed after Closed Session.

CLOSED SESSION

17. Public comments on matters to be discussed in Closed Session.

There were none.

18. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission went into Closed Session at 3:30 P.M. to discuss the following matters:

19. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: City and County of San Francisco v. Turlock Irrigation District, San Francisco Superior Court No. 323717.

Present were President Caen, Vice President Normandy, Commissioner Cook, Commissioner Bhatt, PUC General Manager Patricia E. Martel, Utilities General Counsel Vicki Clayton, Assistant General Manager for Power Policy, Ed Smeloff, and Commission Secretary Mary Y. Jung.

No action was taken.

20. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: City and County of San Francisco v. Modesto Irrigation District, San Francisco Superior Court No. 323848.

Present were President Caen, Vice President Normandy, Commissioner Cook, Commissioner Bhatt, PUC General Manager Patricia E. Martel, Utilities General Counsel Vicki Clayton, Assistant General Manager for Power Policy, Ed Smeloff, and Commission Secretary Mary Y. Jung.

No action was taken.

21. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: California Trout v. CCSF, et.al., Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-127.

Present were President Caen, Vice President Normandy, Commissioner Cook, Commissioner Bhatt, PUC General Manager Patricia E. Martel, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung.

No action was taken.

22. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(c):

Anticipated Litigation: As Plaintiff and As Defendant
Regarding delays and/or breach of communication and control system contract.

Present were President Caen, Vice President Normandy, Commissioner Cook, Commissioner Bhatt, PUC General Manager Patricia E. Martel, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Y. Jung, Utilities Engineering Bureau Manager Michael Quan, and Deputy City Attorney Louise Simpson.

No action was taken.

Following the Closed Session, the Commission reconvened in open session at 4:12 P.M.

23. Announcement following Closed Session.

President Caen announced the actions taken during Closed Session.

24. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Normandy, not to disclose the discussions during Closed Session; passed (4-0) unanimously.

The Commission resumed to the discussion of the Regular Agenda.

PROFESSIONAL SERVICE CONTRACTS

Amend

15. Discussion and possible action related to the Total Utility Supervisory Control and Data Acquisition System, Agreement No. CS-460.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0241: Authorize the Utilities Engineering Bureau to execute Amendment No. 9 to Agreement No. CS-460, Professional Services for the Development of a Total Utility Supervisory Control and Data Acquisition (SCADA) System, with Westin Engineering, Inc., extending the term by 145 days to accommodate a delay in construction schedule and protracted contract closeout.

16. Discussion and possible action related to the San Francisco Water Supervisory Control and Data Acquisition (SCADA) Project, Agreement No. CS-551.

Moved by Commissioner Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01-0242: Authorize the Utilities Engineering Bureau to execute Amendment No. 2 to Agreement No. CS-551, Construction Management Services for the San Francisco Water SCADA Project with CH2M Hill/Ocampo Esta, Joint Venture, increasing the contract amount by \$200,000 to accommodate a delay in construction schedule and protracted contract closeout.

Thereupon, the meeting was adjourned: 4:15 P.M.

Mary Y. Jung
Secretary



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

AGENDA

REGULAR MEETING

12-05-01P03:28 RUCD

December 11, 2001
1:30 P.M.

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

DOCUMENTS DEPT.

COMMISSIONERS

DEC - 6 2001

The Honorable Ann Moller Caen, President
The Honorable E. Dennis Normandy, Vice President
The Honorable Frank L. Cook
The Honorable Ashok Kumar Bhatt

SAN FRANCISCO
PUBLIC LIBRARY

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Patricia E. Martel
GENERAL MANAGER

Mary Y. Jung
SECRETARY



Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Mary Y. Jung at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Donna Hall, Clerk, City Hall, Room 409, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-7724; Fax No.: (415) 554-7854; E-mail: Donna_Hall@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code §2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317; web site at www.sfgov.org/ethics.

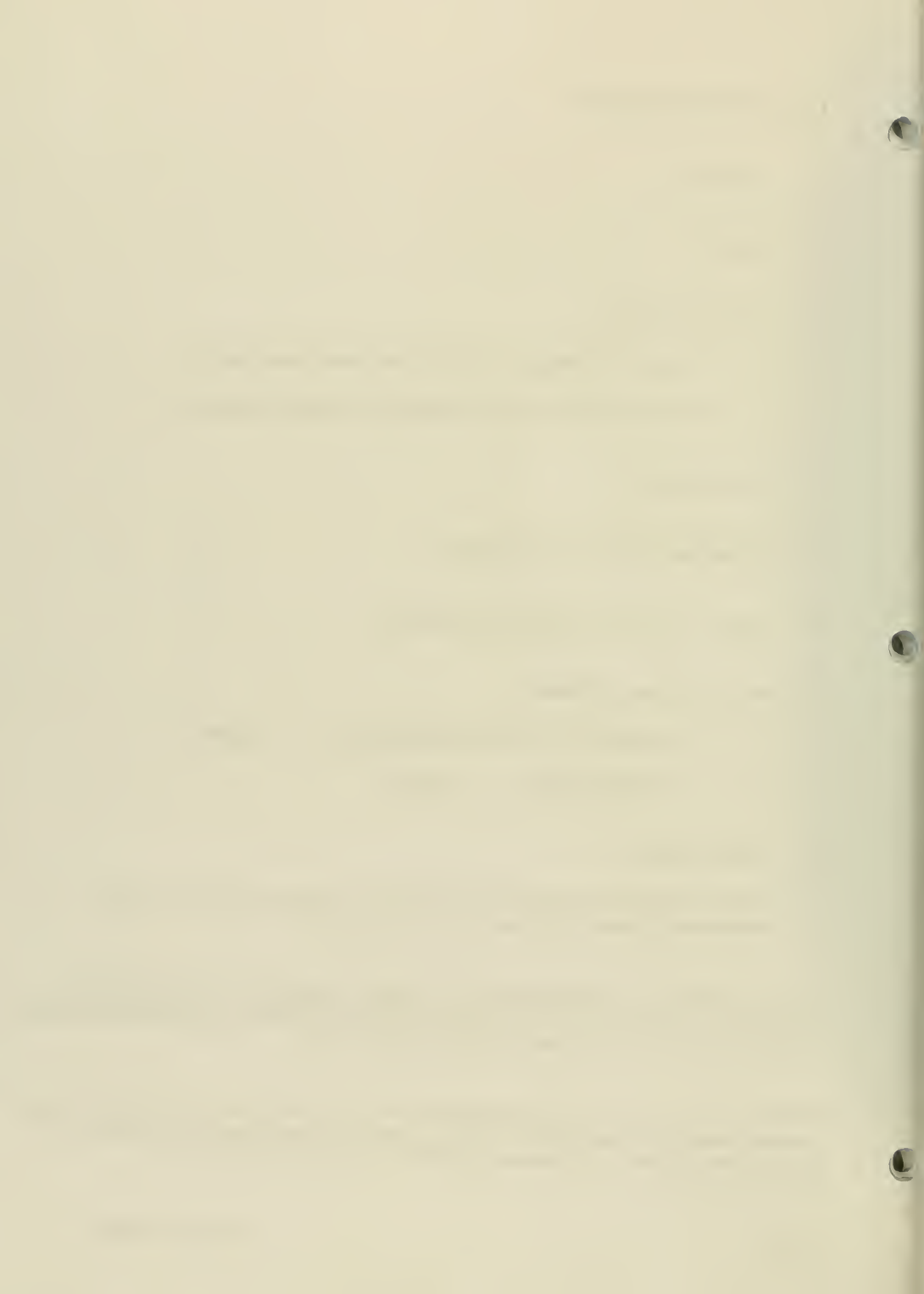
ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
 - a) Minutes of November 13, 2001 Regular Commission Meeting
 - b) Minutes of November 27, 2001 Regular Commission Meeting
4. Communications
5. Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a) Status Report on CIP and Long-Range Plans. (Martel)
 - b) Lake Merced Update. (Carlin)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

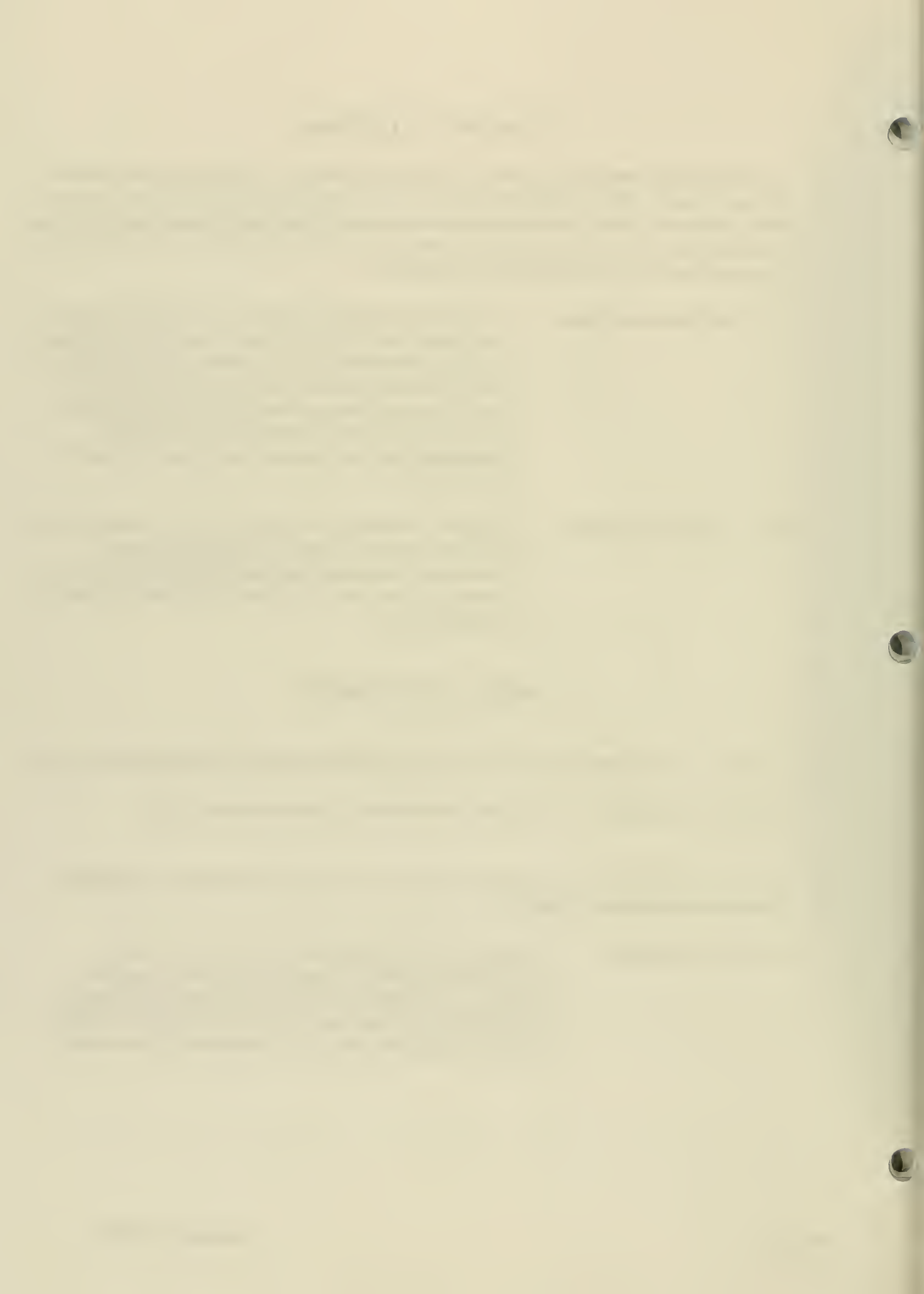


CONSENT CALENDAR

9. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the San Francisco Public Utilities Commission, and will be acted upon by a single vote of the Commission. There will be no separate discussion of these items unless a member of the Commission or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
- a) Staff Recommendation: Approve plans and specifications; and authorize bid call for Contract No. WD-2359, Ductile Iron Main Installation on Green Street from Van Ness Avenue to Hyde Street; Leavenworth Street to Jones Street; Icehouse Alley to Front Street; on Vallejo Street from Van Ness Avenue to Leavenworth Street; on Mason Street at Broadway intersection; and on Douglass Street from 21st Street to Corwin Street.
- b) Staff Recommendation: Ratify the Declaration of Emergency made by the General Manager of Public Utilities for the replacement of structurally inadequate sewer and ruptured 22-inch water feeder main on Cortland Avenue, from Coleridge Street to Prospect Street.

REGULAR BUSINESS

10. Discussion and possible action related to the Retail Water Shortage Allocation Plan. (Levin)
- Staff Recommendation: Adopt the Interim Water Shortage Allocation Plan.
11. Discussion and possible action related to issuance of Prop A& B bonds and refunding of Water Revenue Bonds. (Okereke)
- Staff Recommendation: Approve an Official Statement to issue not to exceed \$164,000,000 of SFPUC Water Revenue Bonds; approve refunding of outstanding water revenue bonds not to exceed \$100,000,000; and authorize the General Manager of Public Utilities to complete, execute, and distribute said documents.



12. Discussion and possible action related to budget reallocation request. (Hennessey)

Staff Recommendation: Request the Controller to transfer \$80,605 from Communications Group's "Professional Services" budget to "Services of the Airport" to fund salaries and benefits for two graphic designers for six months.

LEASES AND PERMITS

13. Discussion and possible action related to a lease with Salem Communications. (Continued from the meeting of August 14, 2001.) (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a lease with Salem Communications Corporation for approximately four acres of SFPUC land located on a portion of Parcel 46 of San Mateo County lands in Menlo Park, California, for maintaining a remote controlled transmitter station including appurtenant ground system, tower, transmitter building, and access.

CONSTRUCTION CONTRACTS

Award

14. Discussion and possible action related to Contract No. HH-900. (Hintze)

Staff Recommendation: Award Contract No. HH-900, San Joaquin Pipeline River Discharge Improvements in the amount of \$580,800 to Proven Management, Inc.

PROFESSIONAL SERVICE CONTRACTS

Advertise

15. Discussion and possible action related to an entity-wide Risk Management Framework. (Okereke)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a Request for Proposal for the selection of a qualified risk management firm to assist in implementing an entity-wide risk management framework.

Award

16. Discussion and possible action related to environmental consulting services. (Medbery)

Staff Recommendation: Authorize the General Manager of Public Utilities to constitute a pool of consultants consisting of EDAW/Talavera and Richardson Joint Venture, ESA/Orion Joint Venture, Jones and Stokes/Robert Group Joint Venture, and LSA Associates and URS, Inc. to provide environmental documentation services for a period not to exceed three years with a total spending authority not to exceed \$4,000,000.

CLOSED SESSION

17. Public comments on matters to be discussed in Closed Session.
18. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING ITEMS:

19. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Furman)

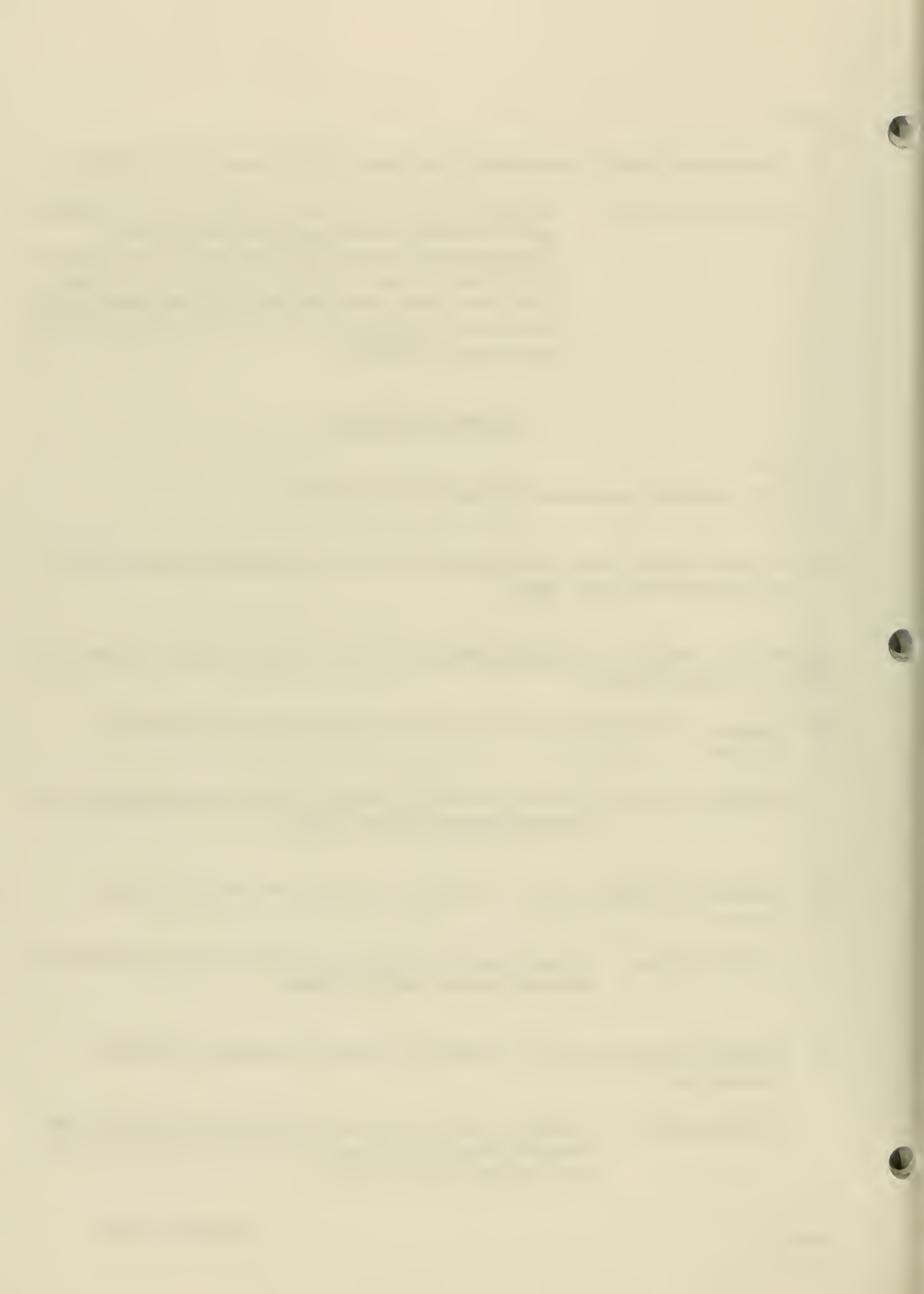
Existing Litigation: City and County of San Francisco v. Turlock Irrigation District, San Francisco Superior Court No. 323717.

20. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Furman)

Existing Litigation: City and County of San Francisco v. Modesto Irrigation District, San Francisco Superior Court No. 323848.

21. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Milstein/Lee)

Existing Litigation: California Trout v. CCSF, et.al., Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-127.



22. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(c):
(Clayton/Simpson)

Anticipated Litigation: As Plaintiff and As Defendant
Regarding delays and/or breach of communication and control
system contract.

23. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Clayton)

Existing Litigation: State Farm Insurance Co./Edwin Lingsch vs. City & County of
San Francisco, Claim No. 00-W-0149-2.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL
RECONVENE IN PUBLIC SESSION.

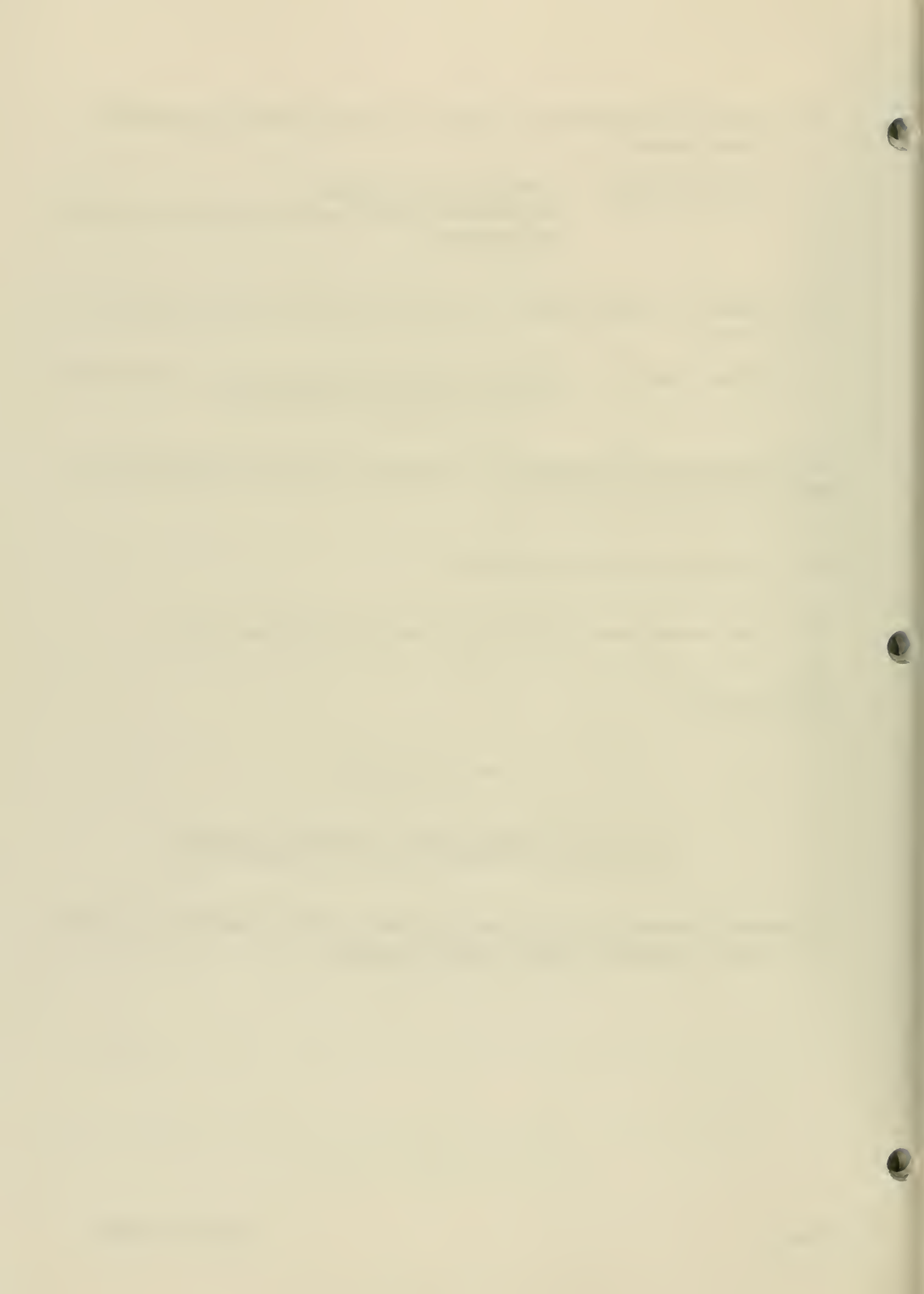
24. Announcement following Closed Session.

25. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

NOTICE OF MEETING CANCELLATION

The Regular Meeting of the San Francisco Public Utilities Commission scheduled
for Tuesday, December 25, 2001 has been cancelled.





SAN FRANCISCO Public Utilities Commission

12/11/01 Minutes SFPUC Commission

Willie L. Brown, Jr.
MAYOR

MINUTES

December 11, 2001
1:30 P.M.

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

The Honorable Ann Moller Caen, President
The Honorable E. Dennis Normandy, Vice President
The Honorable Frank L. Cook
The Honorable Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Environmental Regulation and Management
Finance
Information Technology Services
Personnel and Training
Strategic and Systems Planning
Utilities Engineering Bureau
Water Quality

Patricia E. Martel
GENERAL MANAGER

Mary Y. Jung
SECRETARY

ORDER OF BUSINESS:

1. Call to Order: 2:01 P.M.

2. Roll Call: Present - President Ann Moller Caen, Vice President E. Dennis Normandy, Commissioner Frank L. Cook, and Commissioner Ashok Bhatt

3. Approval of Minutes

Moved by Vice President Normandy, seconded by Commissioner Cook, to continue the following two sets of minutes to the next regular meeting scheduled for January 8, 2002; passed (4-0) unanimously.

a) Minutes of November 13, 2001 Regular Commission Meeting) Minutes of November 27, 2001 Regular Commission Meeting.

4. Communications

No action taken.

5. Old/Ongoing Business by Commissioners

On Vice President Normandy's recommendation, the Commission directed staff with assistance from the City Attorney's Office, to provide a full report regarding steps being taken relative to security of SFPUC facilities. Patricia Martel, General Manager of the San Francisco Public Utilities Commission, advised that a report would be presented at the next regular meeting scheduled for January 8, 2002. Vice President Normandy reminded staff that the report be kept confidential.

Vice President Normandy proposed that the Communications Plan, which was to be presented to the Commission in January, should provide a report on the level of service provided by the consultants assisting with the development of the plan. He was particularly interested in getting candid and absolutely stark objective evaluations of their services for the coming budget discussion in January and February 2002. The Commission concurred.

Vice President Normandy proposed that staff provide the Commission with a report on the successes and shortcomings regarding lobbying in Washington. The Commission concurred.

President Caen asked the General Manager for a report on the status of the Drought Management Plan for the City of San Francisco. The General Manager responded that the report that was given in the past covered retail as well as the City's management plan. Ellen Levin of the Planning Bureau stated that the Retail Water Shortage Allocation Plan was discussed with the Commission earlier during the summer and later passed. Ms. Levin said it was meant to be a companion to the interim Retail Water Shortage Allocation Plan. The complete plan would be presented later in today's meeting.

6. Introduction of New Business by Commissioners

Vice President Normandy proposed to firmly direct staff to draft a resolution for the next regular Commission meeting that reaffirms and formalizes the Commission's "open door" policy of communication to staff and the public. The Commission concurred.

7. Report of the General Manager

a) Status Report on CIP and Long-Range Plans.

Ms. Martel reported that she has been requested by the Chair of the Board of Supervisors Finance Committee to make a presentation regarding the San Francisco Water Alliance contract. The presentation is to cover the status of the execution of the contract and the status of labor management discussions with Local 21.

She reported that staff was reviewing each specific element of the CIP and Long-Range Plan. The CIP review is based on the initial projects proposed. The scope of each project along with estimated costs would be reviewed. The Long-Term Strategic Plan would be revised. Assessment of all SFPUC's assets and resources dedicated to all programs of the SFPUC would be included and a summary of current and projected utilization of all programs and how this utilization will be achieved would be provided. The organizational structure and the set up of the CIP unit would be reviewed. The Long-Range Plan would include potential funding possibilities. Potential rate increases and retirement of debts would be discussed. Ms. Martel stated that the Capital Improvement Plan and the Long Range Plan would be completed by the end of January 2002. She advised that the Mayor's Infrastructure Task Force (MITF) suggested an independent review of these documents.

Commissioners Normandy and Cook voiced frustration at the delays of presenting the plans. Commissioner Cook commented that there would not have been delays in the process had the Task Force worked cooperatively with the SFPUC and attended the CIP workshops. Vice President Normandy stated he was appalled about another review of the plans at the request of the Task Force.

The Commission directed staff to submit the plans no later than January 22, 2002.

President Caen asked staff for a timeline. Ms. Martel replied that once the Commission has approved the plans, they can go before the public. The process should begin in February and there would be a series of public meetings to gather public input. The Mayor and the Board of Supervisors will deliberate in May or June 2002 and make a final decision regarding the bond measure in July.

President Caen directed staff to provide the Commission with an exact timeline by the end of the year, including locations and exact dates of the

public outreach meetings. The Commissioners concurred.

b) Lake Merced Update

Michael Carlin, Manager of the Planning Bureau, presented an update on Lake Merced issues and advised that a Memorandum of Understanding (MOU) had been approved by the City of Daly City.

Ms. Martel recommended that the SFPUC contact Daly City and advise them of the December 17, 2001 deadline for execution of a recycled water contract with Daly City and the golf courses. She said that she has not heard any progress on this and she would suggest SFPUC's participation in the negotiation to facilitate the agreement between the parties.

Ms. Martel stated that the Mayor has requested that she brief him and Supervisor Tony Hall on the status of Lake Merced negotiations this Thursday, December 13, 2001. She would be bringing back the Mayor's suggestions about how to proceed.

Public Comments:

John Plummer, Friends of Lake Merced, gave the Commission copies of a letter he had previously sent to the PUC. Mr. Plummer asked clarification as to whether the beneficial use of Lake Merced had changed and why it is no longer a source of emergency water supply. He also asked whether SFPUC's response to the Lake Merced Water Committee Minority Report was the current position of the Commission.

Michael Carlin, Manager of the Planning Bureau, pointed out that Lake Merced was a source of emergency water supply, but not an emergency potable water resource unless the water is treated and there are no means to get the lake's water to a water treatment plant at this time. Regarding the Lake Merced Water Committee Minority Report, Mr. Carlin stated that SFPUC staff agreed with the findings of the report. However, staff needed additional information from the Committee that was not contained in the report.

Vice President Normandy requested that staff be directed to send a formal reply within the next 48 hours and provide a copy to the Commission. The Commission concurred.

David Dawdy of the Lake Merced Task Force offered his help pro bono.

Douglas Kern, member of the Alliance for Clean Waterfront and a member of the MITF, suggested utilizing alternative technologies to resolve Lake Merced issues. Regarding the Capital Improvement Plan, he encouraged looking at proposed projects closely. Addressing comments made about the Task Force, he stated that he had spent time reviewing the plans and found important points that need to be addressed and he would be willing to work

with the SFPUC to address them. He noted that the Task Force recognized the urgency of moving forward with the CIP.

8. Public Comments on matters not on today's agenda.

There were none.

CONSENT CALENDAR

9. Moved by Vice President Normandy, seconded by Commissioner Bhatt, to adopt the items listed under the Consent Calendar; passed (4-0) unanimously.

a) Resolution No. 01-0243: Approve plans and specifications; and authorize bid call for Contract No. WD-2359, Ductile Iron Main Installation on Green Street from Van Ness Avenue to Hyde Street; Leavenworth Street to Jones Street; Icehouse Alley to Front Street; on Vallejo Street from Van Ness Avenue to Leavenworth Street; on Mason Street at Broadway intersection; and on Douglass Street from 21st Street to Corwin Street.

b) Resolution No. 01-0244: Ratify the Declaration of Emergency made by the General Manager of Public Utilities for the replacement of structurally inadequate sewer and ruptured 22-inch water feeder main on Cortland Avenue, from Coleridge Street to Prospect Street.

REGULAR BUSINESS

10. Discussion and possible action related to the Retail Water Shortage Allocation Plan.

Ellen Levin, gave a visual presentation using a document camera concerning the main aspects of the Drought Management Plan for retail customers in San Francisco.

Moved by Commissioner Cook, seconded by Vice President Normandy to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01- 0245: Adopt the Retail Water Shortage Allocation Plan for San Francisco.

11. Discussion and possible action related to issuance of Prop A & B bonds and refunding of Water Revenue Bonds.

Kingsley Okereke, Director of Finance, gave a visual presentation using a document camera.

Moved by Vice President Normandy, seconded by Commissioner Cook, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 01- 0246: Approve an Official Statement to issue not to exceed

\$164,000,000 of SFPUC Water Revenue Bonds; approve refunding of outstanding water revenue bonds not to exceed \$100,000,000; and authorize the General Manager of Public Utilities to complete, execute, and distribute said documents.

Commissioner Bhatt was excused at 3:27 p.m.

12. Discussion and possible action related to budget reallocation request.

Moved by Commissioner Cook, seconded by Vice President Normandy to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 01-0247: Request the Controller to transfer \$80,605 from Communications Group's "Professional Services" budget to "Services of the Airport" to fund salaries and benefits for two graphic designers for six months.

LEASES AND PERMITS

13. Discussion and possible action related to a lease with Salem Communications.
(Continued from the meeting of August 14, 2001.)

Moved by Commissioner Cook, seconded by Vice President Normandy to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 01-0248: Authorize the General Manager of Public Utilities to execute a lease with Salem Communications Corporation for approximately four acres of SFPUC land located on a portion of Parcel 46 of San Mateo County lands in Menlo Park, California, for maintaining a remote controlled transmitter station including appurtenant ground system, tower, transmitter building, and access.

CONSTRUCTION CONTRACTS

Award

14. Discussion and possible action related to Contract No. HH-900.

Moved by Vice President Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 01-0249: Award Contract No. HH-900, San Joaquin Pipeline River Discharge Improvements in the amount of \$580,800 to Proven Management, Inc.

PROFESSIONAL SERVICE CONTRACTS

Advertise

15. Discussion and possible action related to an entity-wide Risk Management Framework.

Staff Recommendation: Authorize the General Manager of Public Utilities to

execute a Request for Proposal for the selection of a qualified risk management firm to assist in implementing an entity-wide risk management framework.

Kingsley Okereke, Finance Director, gave a visual presentation concerning the benefits of a risk management framework.

Vice President Normandy spoke against the proposal saying that the proposal was premature, as the Commission had not yet set a policy for risk management. Mr. Okereke explained that this was a recommendation by the City's outside auditors. He added that the Department does not have expertise in-house.

Vice President Normandy stated that he appreciated the input and preparation, but his concern was that the Commission had not had a chance to review the policy. He recommended that the proposal be rejected and that it be brought back with an agency-wide proposal relating how we can and should develop policies regarding risk management.

President Caen asked if the recommendations from the auditors were made as a footnote.

Mr. Okereke responded that it was part of the "2000 Audit Management Letter Comments". He continued by adding that the auditors gave a "clean" opinion last year, but in addition, they looked at some of the things they noticed during the audit and recommended that this was a good thing to do. The auditors said that we were playing in a different market than we were two years ago and that all other municipal utilities have risk management programs in place and the SFPUC needs to do it, too. Their recommendation was for the power enterprise. Mr. Okereke said this was his reason for taking the power enterprise first.

Mr. Art Jensen, General Manager of the Bay Area Water Users Association (BAWUA), stated that there was an operational policy of "water first" but no formal Commission policy. He requested changes to the "Tentative and Initial Scope of Work" Section IV (Operational Parameters) to consider moving the second bullet - "Develop and Recommend appropriate metrics that can be used to effectively address drought risks and the overall water and power interplay in the Hetchy system." and put it in the Policy and Procedures (Section II) context to provide some guidance at the front end.

President Caen stated that she was in favor of the resolution. Vice President Normandy proposed that the item be continued to the next regular Commission meeting scheduled for January 8, 2002 and address it in a broader context. He also wanted to see how this relates to the overall CIP.

Ms. Martel asked for clarification on whether Vice President Normandy wanted to see the policy first and how it can be applied across the Department.

Vice President Normandy replied positively. He said the exercise would be very useful in that the Commission would be able to set a policy that could be implemented agency wide. The exercise he wants to happen was to be couched

within the context of adopting a policy whereby risk management would be a major management tool of the agency. Mr. Okereke said he understood.

Mr. Okereke stated that he would return to the Commission with a diagram showing identified risks, prepare a policy statement, and address some of the risks they had seen so far. Vice President Normandy concurred and moved to continue the item to the next meeting or at the call of the chair for staff to bring back a resolution proposing a policy on risk management and that implementation of the management tool be accomplished by accepting what was on the resolution. Commissioner Cook said it should include both.

Moved by Vice President Normandy, seconded by Commissioner Cook to continue Item 15 to the next regular Commission meeting scheduled for January 8, 2002; passed 3- unanimously.

Award

16. Discussion and possible action related to environmental consulting services.

Moved by Vice President Normandy, seconded by Commissioner Cook to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 01-0250: Authorize the General Manager of Public Utilities to constitute a pool of consultants consisting of EDAW/Talavera and Richardson Joint Venture, ESA/Orion Joint Venture, Jones and Stokes/Robert Group Joint Venture, and LSA Associates and URS, Inc. to provide environmental documentation services for a period not to exceed three years with a total spending authority not to exceed \$4,000,000.

CLOSED SESSION

17. Public comments on matters to be discussed in Closed Session.

There were none.

18. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Vice President Normandy, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (3-0) unanimously.

The Public Utilities Commission met in Closed Session at 4:00 p.m. to discuss the following matters:

Items 22 and 23 were discussed first.

22. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(c):

Anticipated Litigation: As Plaintiff and As Defendant Regarding delays and/or breach of communication and control system contract.

Present were President Caen, Vice President Normandy, Commissioner Cook, SFPUC General Manager Patricia Martel, Utilities General Counsel Vicki Clayton, Deputy City Attorney Louise Simpson, UEB Capital Program Manager Everett Hintze, and Commission Secretary Mary Jung.

No action was taken.

Commissioner Bhatt returned at 4:17 p.m.

23. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9 (a):

Existing Litigation: State Farm Insurance Co./Edwin Lingsch vs. City & County of San Francisco, Claim No. 00-W-0149-2.

Present were President Caen, Commissioner Cook, Commissioner Bhatt, SFPUC General Manager Patricia Martel, Utilities General Counsel Vicki Clayton, and Commission Secretary Mary Jung.

Vice President Normandy was excused at 4:25 p.m.

Moved by Commissioner Cook, seconded by Commissioner Bhatt to recommend a settlement for Item 23; passed (3-0) unanimously.

Resolution No. 01-0251: Recommend a settlement in the case of State Farm Insurance Co./Edwin Lingsch vs. City & County of San Francisco, Claim No. 00-W-0149-2.

19. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: City and County of San Francisco v. Turlock Irrigation District, San Francisco Superior Court No. 323717.

Present were President Caen, Commissioner Cook, Commissioner Bhatt, SFPUC General Manager Patricia Martel, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Jung, and Deputy City Attorney Donn Furman.

No action was taken.

20. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: City and County of San Francisco v. Modesto Irrigation District, San Francisco Superior Court No. 323848.

Present were President Caen, Commissioner Cook, Commissioner Bhatt, SFPUC General Manager Patricia Martel, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Jung, and Deputy City Attorney Donn Furman.

No action was taken.

21. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9 (a):

Existing Litigation: California Trout v. CCSF, et.al., Administrative Petition at the State Water Resources Control Board, and City of San Francisco v. Daly City, Superior Court No. 318-127.

Present were President Caen, Commissioner Cook, Commissioner Bhatt, SFPUC General Manager Patricia Martel, Utilities General Counsel Vicki Clayton, Commission Secretary Mary Jung, and Deputy City Attorney Joshua Milstein.

No action was taken.

Following the Closed Session, the Commission reconvened in open session at 4:52 P.M.

24. Announcement following Closed Session.

President Caen announced the actions taken during Closed Session.

25. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, not to disclose the discussions during Closed Session; passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 4:53 P.M.

Mary Y. Jung, Secretary

Location:

http://sfwater.org/detail.cfm/MC_ID/5/MSD_ID/19/MTO_ID/57/C_ID/746

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